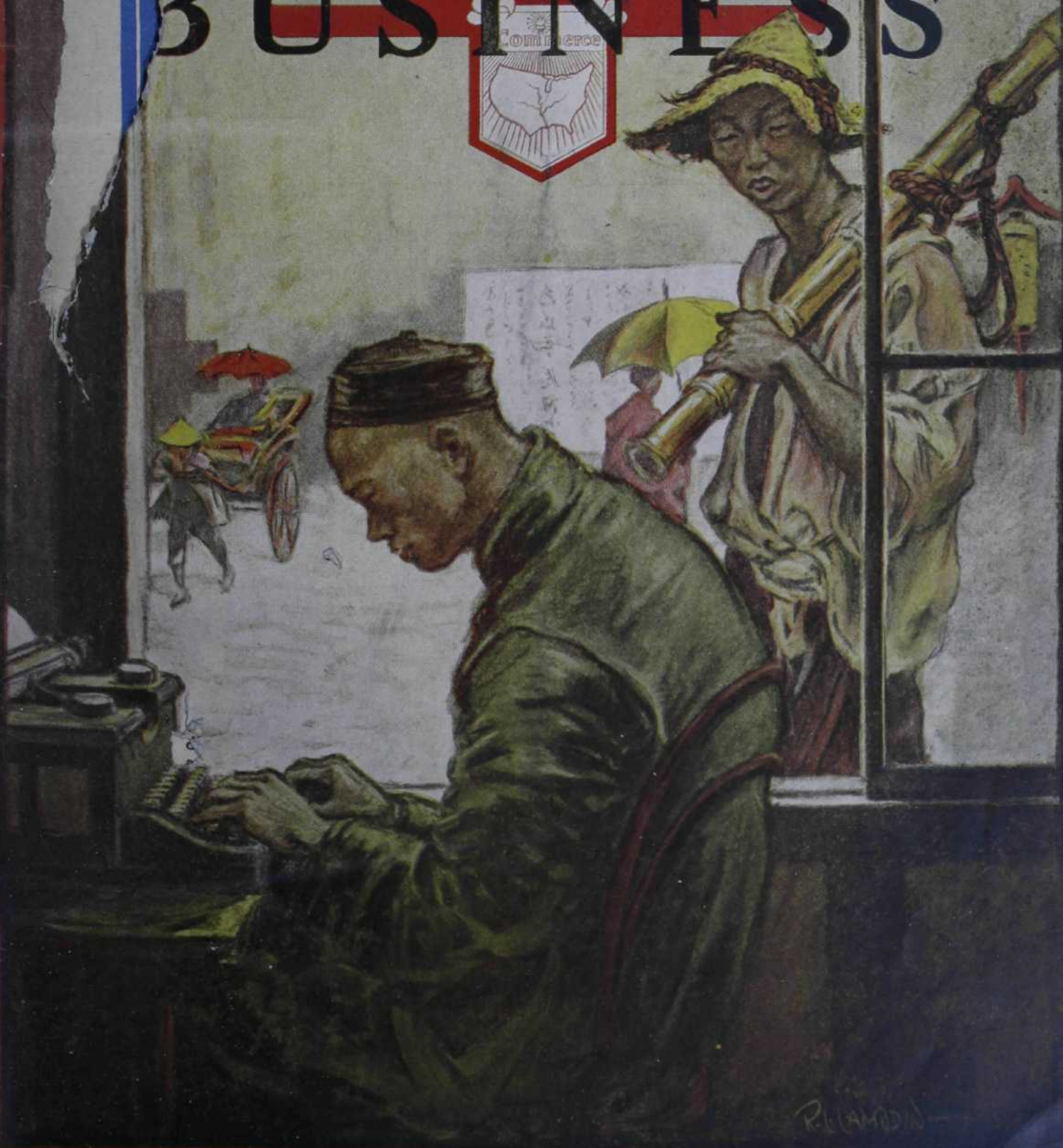


March 1920

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25 Cents

THE NATION'S BUSINESS



Published by the Chamber of Commerce of the United States

Go to a Legitimate Dealer and Get a Legitimate Tire



THIS year the American people will spend more than \$900,000,000 for automobile tires.

Tires are one of the largest items in the motorist's budget.

The cost is making even careless buyers think and inquire.

And the more they inquire the smaller will grow the influence of hearsay and the irresponsible tire dealer.

• • •

We have all met the man who takes his opinions ready-made.

He tells everything he knows. He knows more about every car than the man who made it, where to buy the cheapest truck—how to get the biggest bargain in tires.

He always arouses a certain amount of wonder in

Every time you drive your car along a track or a rut in a country road you are taking some life out of your tires.

Worn frogs and switches often cause small cuts, which are rapidly enlarged by the action of gravel and moisture. Ruts and track slots pinch the tire, wearing away the tread where their edges strike it.

It is well to avoid such places as much as possible.

the unknowing. They never think to ask him where he gets his secrets.

• • •

"Somebody says" and "everybody does" are responsible for more wrong impressions about tires than anything else you can think of.

It is on the people who come under the influences of these phrases that the irresponsible dealer thrives.

You generally find him with the name of a standard tire displayed in his windows to give an impression of quality.

But when you get inside the first thing he begins to talk about is price and substitution.

What the thoughtful motorist is looking for today is *better* tires.

He goes to a legitimate dealer and gets a legitimate tire.

The *quality* idea—the idea of a quality tire, of a dealer who believes in quality—is commanding a greater respect from a larger portion of the motoring public all the time.

It is the idea on which the United States Rubber Company was founded—on which it has staked a greater investment than any other rubber organization in the world.

Build a tire that *will do more, a better tire than was built before*, and you are sure of a large and loyal following.

We have never been able to build enough U. S. Tires to go around.

United States Tires

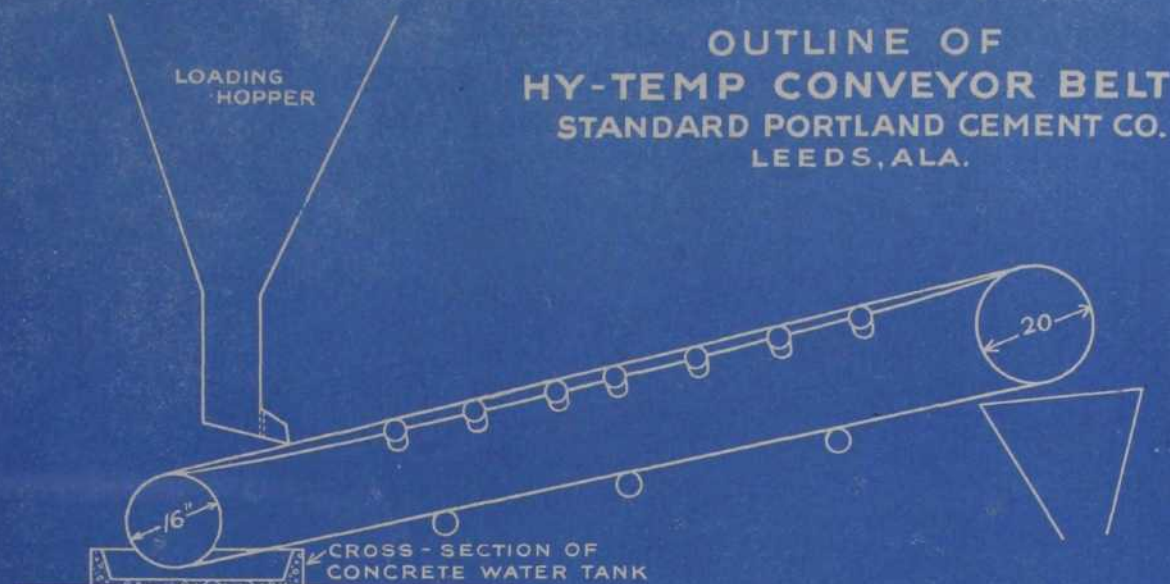
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The oldest and largest Rubber Organization in the World

Two hundred and thirty-five Branches



Specified GOODYEAR HY-TEMP CONVEYOR BELT 16" 5 PLY.

TOTAL LENGTH 72'-2"
 HEAD PULLEY 20"×18" TAIL PULLEY 16"×18"
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 TOP COVER 1/8" PULLEY SIDE 1/16"
 CRESCENT FASTENERS USED
 F.P.M. 196.3 T.P.H. 60 TEMP 200° UP
 MATERIAL DELIVERED 30" FROM TAIL
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 ANGLE OF INCLINATION 12°

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Hot Clinker, a Conveyor—and the G.T.M.

Hot cement clinkers, 200° and over, to be carried from open storage to the grinding mills, were the crux of the conveying problem put up by the plant superintendent to the G. T. M.

The G. T. M.—Goodyear Technical Man—gave that situation expert study embracing every process in cement manufacture at the plant of the Standard Portland Cement Co., Leeds, Ala. He realized that here was an unusual problem. The clinker could not be cooled sufficiently in the processes previous to conveying. The best thing to do would be to provide some means of cooling it as it came onto the belt.

So he made two recommendations: a heat-resistant Goodyear Hy-Temp Conveyor Belt, known to be capable of withstanding as much as 200°; and a cooling vat through which the belt might run as it struck the tail pulley and come up dripping with a film of cold water that would cool the clinker dropping from the hopper. Both recommendations were approved.

Up to September 1, 1919—after six months of operation—this Goodyear Hy-Temp Conveyor had carried 61,000 tons of clinker. The Standard

Portland Cement Co. credits a saving of \$300 in belt cost alone to this Goodyear Conveyor. Besides, it has effected a high operating economy. A letter from them states that the Company is "so pleased with its performance that we have ordered a duplicate for replacement, although from present appearances this belt will continue to give good service for some time."

Wherever heats up to 200° are registered on conveying jobs, in mines, in coking plants, in cement factories, Goodyear Hy-Temp Conveyor's special construction sets up new records in heat-resistance, ability to withstand abrasion, and quantity of tonnage delivered.

Working with your own plant superintendent, the G. T. M. can make an analysis that assures intelligent specification of the belt to the duty required. The G. T. M.'s services are yours without charge or obligation. If his suggestions and the Goodyear Belt he recommends prove as valuable in your service as in the instance cited here, and in hundreds of similar cases the country over, our return will be amply guaranteed by your satisfaction.

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WHAT DOES LABOR WANT?

Every organization, for effective production, must be definitely controlled but---there *must* be ample room for self-expression by each individual.

It is sometimes argued that labor as a group desires not so much increasing influence and reward as opportunity for self-expression.

Can you answer these questions?

- 1st. Do you manage men *as* a group or men *in* a group?
- 2nd. Is there room for self-expression in your organization?
- 3rd. Are there elements which tend to repress self-expression within your organization?
- 4th. Are there means of rewarding worthy individualism in your organization?

All of the above involves the Organization Law of Individualism, fourth in the series of twelve, which are described in Mr. C. E. Knoepfel's six articles on Organization.

Reprints of these articles describing the philosophy of this company as applied to industrial organization problems will be sent upon request.

We can describe our plan briefly

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C. E. KNOEPPEL & CO., INC.

Industrial Engineers

Six East 39th Street

New York

In this Number

Cover drawing by R. L. LAMBDIN

The Next Six Months.....	BY FRANK A. VANDERLIP.....	PAGE 11
Exports Visible and Otherwise.....		12
New Worlds For Old.....	BY RICHARD SPILLANE.....	13
Speaking of Anti-Strike Laws—.....	BY RAY YARNELL.....	16
Financing a Continent.....	BY ERNEST H. GREENWOOD AND HUGH REID.....	18
At Last—A Law for the Railways!.....		20
Fighting the Famine With Drafts... ..	BY JOHN M. OSKISON.....	21
Shoes That Pinch the Purse.....	BY J. WAINWRIGHT EVANS.....	22
A World Standard for Labor.....	BY DWIGHT T. FARNHAM.....	24
When Texas Went Oil Mad.....	BY CHESTER T. CROWELL.....	26
Editorials.....		28
Before We Establish Soviets—.....	BY BURTON L. FRENCH.....	30
Pegging the Lines on the Map.....	BY AARON HARDY ULM.....	24
How the Worker Feels About It.....	AN INTERVIEW WITH WHITING WILLIAMS.....	40
Business Conditions.....	BY ARCHER WALL DOUGLAS.....	46
The Business Machine.....	BY HOMER HOYT.....	52
The Little Brother Abroad.....	BY J. E. FITZGERALD.....	54
Little Stories of the Nations Business.....		59
Money and the Railroad Mare.....	BY FRANK H. FAYANT.....	62
Log of Organized Business.....		68
The Making of Americans.....		81
New Books on Business.....		92



THE NATION'S BUSINESS

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How Personal Service Influences the Cost of Building

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Given as a bona fide discount, the nationally famous **SH** Green Stamps mean a saving of about 3% on the regular everyday purchases of millions of frugal folk throughout the United States.

The progressive dealers who pay this rightfully earned discount encourage the soundest, sanest and most satisfactory method of consumer buying; that is, putting cash on the counter instead of names on the book. Cash purchasing builds for economy and thrift and is a valuable asset to any community.

Just as a means of determining the extent of the service we render, and the saving it returns, it will be interesting for everyone to know that during the past 23 years we have distributed over \$60,000,000 in cash on merchandise to those prudent housewives who wisely obtain **SH** Stamps.

Founded in the 19th Century, the "Sperry" Service stands today an estimable, efficient and effective 20th Century medium for paying the discount that's due.

The Sperry & Hutchinson Co.
2 West 45th Street New York

Health Service has set up a chain of reconstruction bases throughout the country for beneficiaries of the War Risk Bureau. These are not Army hospitals, nor is there Army discipline in connection with them, but rather a system of hospitals similar to the general hospital in large cities except that the treatment is free and goes much further than in the ordinary hospital.

Recreation, vocational training and wholesome entertainment are combined with treatment. While men are being bodily rebuilt they have the opportunity of learning some useful occupation, or pursuing academic studies. They are taught not only to find themselves, but to better their condition. The environment is as homelike as it is possible to make it.

A great many men who went into the Army have developed tuberculosis and other diseases requiring special treatment. The Public Health Service has separate hospitals and sanatoriums for these patients, where they may get the best treatment known to medical science. Address: United States Public Health Service, Washington, D. C.

The World's Wool

TODAY wool is being sent for sale to other centres than London, once the great wool distributor. This decentralization is taking place through larger auctions at such points as Antwerp, Boston and Hamburg. In South African and South American markets, European and American users are covering forward sales of tops and yarns. France and Belgium are gradually returning to normal activity. The carbonizing plants at Verviers are easily disposing of treated wool.

In the French textile trade, dry-combed tops are going to English users, though the spinning machinery of Northern France has not resumed output as quickly as has the combing machinery. Most firms in England and on the continent are hard up because of the large capital the high price of wool absorbs. In England, however, there are such large stocks that probability of shortage is precluded.

At the end of 1920 it is estimated there will still be available some five hundred thousand bales of unsold government wool. The decentralization of the wool distribution should aid stabilization of values and prevent undue inflation of prices at any one selling centre.

Housing London

LONDON needs fifty thousand houses. They would cost some fifty million pounds. People in London are simply clamoring for living quarters. Importation of lumber have been necessitated. Rumor hath it that an experimental wooden house erected in Glasgow has been successfully leaned against! England doesn't take very kindly to wooden houses, you know. Stone and brick have heretofore been the accepted building material in England.

If proper new dwellings are forthcoming it may, by the way, be a matter of economy to omit the Englishman's treasured parlor and revert to a house composed merely of living-room, scullery and three bed-rooms. Work of construction is proceeding and it is believed by the housing commissioner that a high standard of comfort, in spite of glibing journalists, can be obtained. Tenders have been accepted for close on one million pounds' worth of work in the London area.

Automatic Payment of Bonds and Coupons

HOW many investors fully understand and appreciate the monthly deposit safeguards of the *Straus Plan* of protecting first mortgage bonds, which automatically ensure payment of both principal and interest in cash on the days due?

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This provision assures the prompt application of earnings to the payment of the bonds, prevents the diversion of the profits to other uses, and keeps us in closest touch with the affairs of the borrowing corporation month by month.

Our booklet "Safety and 6%," tells how and why the *Straus Plan* has protected investors from loss for 38 years. Write for it, together with our current offerings of sound first mortgage serial bonds, netting 6%, with 4% Federal Income Tax paid. Denominations, \$1,000 and \$500.

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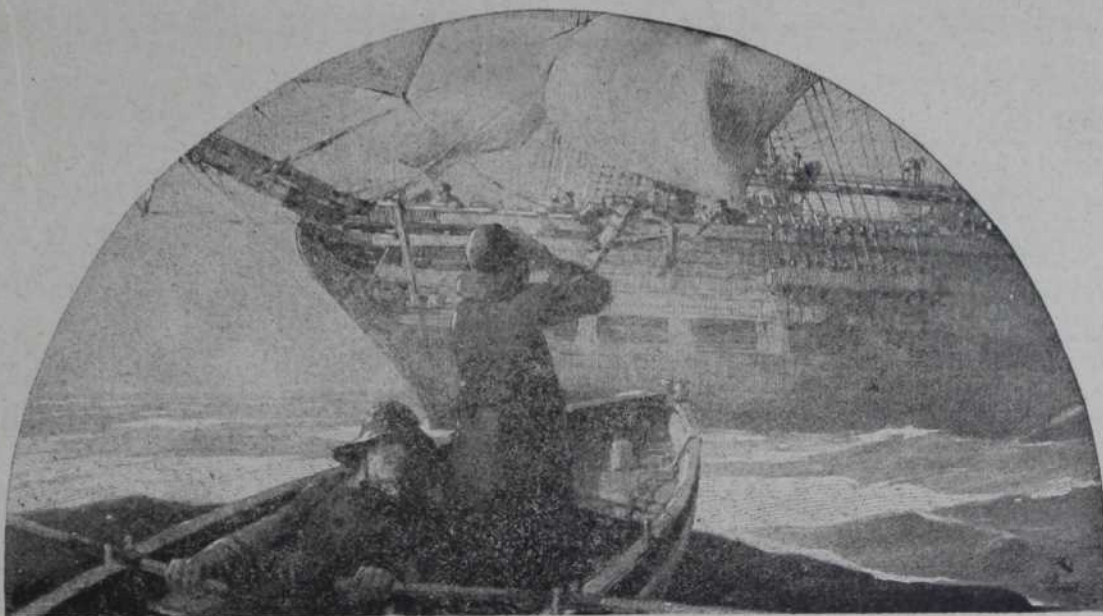
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The captain yields nothing vital to his command in acceding to this world-wide rule of navigation. His knowledge of his craft remains supreme.

Akin to the captain's faith in expert knowledge is the confidence which business executives—Captains of Industry—place in the *organized Industrial Engineering Service* of L. V. Estes Incorporated.

The function of Estes Service is the application of professional knowledge of scientific management as an aid to management of any business. It is an interpretation of principles founded on the fixed laws of Truth and Justice.

The operation of these laws is scientific. The good results, in maximum production and conservation of time, energy, materials and expense, are in proportion to the accuracy with which the laws are applied.

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The oil production of the United States for 1919 has been calculated at 100,000,000,000 pounds of crude oil, 30,000,000,000 pounds of lubricating greases. In the movement of this stupendous quantity from the source of supply to its final use in industry the tank car has proved vitally necessary. Standard Tank Cars are found in the very forefront of this important service. Their records of performance recommend them as transports for every sort of commercial liquid.

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DEPARTMENT store service is the laboratory of retail delivery. Not only is it the most searching test to which a delivery truck can be put, it is also the most sensitive recorder of results.

The operations are constant and exacting. To keep a stream of merchandise flowing from railway terminal to warehouse, from warehouse to delivery depot, from depot to the customer's doorstep, requires unfailing performance daily, hourly, in all kinds of weather.

A slight interruption might throw the whole system out of gear. A small saving in cost or time of delivery is a big item, when applied to millions of packages.

Department stores *must* have the best delivery equipment. Competition compels it. For years they have been testing out all grades and makes in search of the most efficient truck. The weeding-out process is still on. But steadily and surely White Trucks are being standardized in the largest and most important retail fleets. In metropolitan centres they are the very backbone of department store service.

In New York, eighteen Department Stores operate 431 White Trucks; in Pittsburgh, ten stores operate 291; in Cleveland, eight stores operate 120. In all, 224 Dry Goods and Department Stores operate 1639 White Trucks.

Many stores report mileage records for their White Trucks of 100,000, 200,000 and 300,000 miles. Gimbel Brothers say: "Our White Trucks (25) purchased in 1911 and 1912 have run over 100,000 miles each and are still in service. We have compared them with three other standard trucks and have decided they are best suited to our use." Gimbel Brothers now own 78 Whites.

In the White fleet owned by The Higbee Company, Cleveland, one truck has covered 265,000 miles, another 225,000 and another 100,000 miles.

White Truck performance in department store service is so widely and favorably known that it has become the standard for the whole retail delivery field. Comparative records everywhere show that White Trucks *do the most work for the least money.*

THE WHITE COMPANY, *Cleveland*

WHITE TRUCKS

THE NATION'S BUSINESS

A Magazine for

Commerce

Business Men

VOL. 8, NUMBER 3

MARCH, 1920

The Next Six Months

We are apt to look upon what is happening in Europe with the comfortable feeling that we have no interest in the drama; but the line of footlights is by no means fixed

By FRANK A. VANDERLIP

THE editor of THE NATION'S BUSINESS has asked me to give some indication of what I think seems likely to be the trend of world affairs in the immediate future. Prophecy is always dangerous and at the present time, with the powerful cross-currents and novel conditions, it would be nothing short of foolhardy for anyone to attempt prophecy.

It is possible, however, to translate certain economic data, and in doing that, to get an indication of what tendencies may possibly be in certain directions.

The foreign exchanges have had a headlong decline. The quotations for the foreign exchanges are merely indicators of certain economic conditions. Some people take a superficial view and think that the disparity between the former and the present rates might be corrected by some financial formula or political agreement. Such a view is idle.

There have been two causes contributing to the decline of foreign exchanges. In the first place, Europe has been forced to buy, chiefly from this country, an amount of food and raw material and to a less extent manufacturing articles vastly in excess of her normal requirements, and coincidentally has been unable to export anything like her normal volume. This has created adverse trade balances to an unexampled extent. Those adverse trade balances are, for example, 669,000,000 pounds in the case of Great Britain, and translating the Franc and Lira at parity \$4,919,000,000 for France and \$2,500,000,000 for Italy. It is of course impossible to correct those adverse balances by the shipment of gold, and there is no other way, the supply of goods being deficient, but to create credits.

How We Managed Last Year

THERE were created credits in this country last year to an amount far beyond the general realization of that movement. Europe's total adverse trade balance with the United States exceeded four and a half billion dollars. Nearly half of that was provided for by loans out of the ten billion Government fund. A considerable amount was made up by funds transmitted by European Nationals living in this country, and so far as Great Britain and the Scandinavian countries are concerned, by the invisible item of freights earned by the mercantile marines of those countries.

Accounting fully for those factors, there was still left an amount probably in excess of

EARLY last year, Mr. Vanderlip, on his way home from abroad, dictated a book on "What Happened to Europe." He was fresh from an extensive study of conditions. What he had seen—and what he foresaw—went into that book. There was no verbal pussyfooting in its style; when he referred to a spade he called it by its given name.

Recent events have borne out in a remarkable way much of what Mr. Vanderlip wrote at that time. It was this fact that gave us the idea of asking him once more to look into the future. He consented. What he says here is in the same frank vein that made his book so widely read and commented upon.—THE EDITOR.

a billion dollars that was provided in credits granted by our manufacturers, exporters and banks and by a widespread speculative purchase of foreign exchange. That sum of a billion dollars or more now exists as a floating credit payable in the main on demand.

With the foregoing position in view, and with a recognition that there will in all probability be no further Government credits granted, it is possible to make one prediction with a great deal of certainty. Credits cannot be provided which will permit European countries this year to pile up such an adverse trade balance as they did in 1919. That must mean either an enormous increase in their exports to us, or a great decrease in our exports to them. The latter seems the highly probable alternative.

The fall in exchanges has by no means been wholly due to Europe's adverse trade balance. Foreign exchange means a credit in a foreign country in the terms of the currency of that country. The currencies of practically all European countries have violently depreciated. All of the belligerents now find themselves with domestic government budgets vastly in excess of the sums they are raising by taxation. Most of them have attempted to make up some part of their deficiency by increasing their paper money. All of them are off the gold basis, as the paper money is in no case immediately

redeemable in gold. This depreciation in the true value of the currencies is reflected naturally in the price of exchange.

Americans are inclined to say rather glibly that the only cure for the situation is for Europe to go to work and produce more goods for export; and for European governments to cut down their expenditure and increase their taxation until their domestic budgets balance. Those are perfectly sound principles, but they are infinitely difficult of application. In many European countries, and particularly those in Central Europe, it is impossible for the people to go to work in industry when there is an almost complete lack of raw material upon which to perform industrial operations.

If there is no cotton to feed the spindles, it is impossible to go to work in the mills. To obtain cotton, it is necessary first to obtain credit. The trouble is even deeper. There is a dangerous shortage of food throughout Europe, a shortage that has reached actual famine in several of the Central European countries.

An appalling calamity in the way of death from starvation is now inevitable in some of those countries. In all of them a shortage of fuel and food, the demoralization of all transportation facilities, and in the defeated countries a despair in regard to the weight of the indemnity, all combine to make a situation in which our advice to go to work, to economize and to submit to still greater taxation, must sound ironical.

The Penalties of Indulgence

THE economic data of the European industrial situation was at hand a year ago. Anyone accustomed to translating such economic data could have foretold the course of events, and could have foreseen the necessity for aid. That aid, in the main, could only come from America. We closed our eyes to the situation. We were engrossed with the pleasures of credit expansion and with the huge activities and apparent profits which accompanied the great increase in bank loans, which went on unchecked.

The Federal Reserve Board had a profound responsibility to put a brake upon that expansion in the way of a higher discount rate. The Treasury's position led Treasury officials to desire a low interest market in which to finance the large floating debt of the Government. Treasury influence was dominant in the Federal Reserve Board. The banking judgment in the Board foresaw the need for

a brake on credit expansion, but Treasury influences held down the discount rate and the expansion went on. We have now come to a point where it is going to be difficult, if not impossible, for us to grant the credit that Europe so vitally needs, and without which it is difficult to see how the Central European countries at least can obtain the raw material to start their industries.

The consequences are extremely serious. From the economic difficulties, political results may flow. There is a limit to human endurance, and if before the next harvest food pressure becomes as severe as it now looks as if it would, political revolt might readily develop.

The most important point for political revolt is Germany. There are 67,000,000 people in Germany. They are not at heart Bolshevik, but if they are subjected to sufficient economic pressure, if human wants become sufficiently acute, it might be entirely possible for revolution there to take on Bolshevik tendencies, and for revolutionary Germany to politically shake hands with Bolshevik Russia. If that were to occur, there would of course be other consequences involving other nations.

If France were to lose the hope that she has so tightly hugged that much of her financial difficulty will be solved by German indemnity, the position of the French government will have added difficulties.

Where Would It Stop?

IT is really idle to speculate as to what extent such a catastrophe as revolution in Central Europe might develop, but anyone attempting to forecast the future cannot properly close his eyes to the possibilities of such development.

There can never really be a sound, permanent peace in Europe until the great granary of Russia is opened. In the development of the industrial era, Europe increased her population until it became larger by 100,000,000 people than her own fields will feed. There must must be a resumption of industrial activity and production of goods for export to exchange for food and raw materials, or the normal life of Europe cannot be resumed. The situation is thus intimately related to the Russian problem.

We are inclined to look on as spectators viewing a tremendous drama. The line between the stage and the audience is not a fixed one, however. While we are situated nationally in a wonderfully happy position, separated from the turmoil, rich in food and raw material, capable really of living a self-contained life, we still should be awake to the fact that political disturbance in Europe cannot but have an effect here. An interruption of our exports would be a jar to our commercial life, and go on with some degree of comfort after the first shock.

An extension of Bolshevism, any widespread growth in the belief of Communism, important blows struck at the present order of property rights anywhere in Europe, will have some reflection here. There is already an astonishingly large number of people in sympathy with the general theories of Soviet government. In a situation in which there should be no food shortage and no lack of an opportunity to work, there would seem to be an atmosphere unfriendly to the growth of Communistic ideas. If business sits smugly at its desk, however, and pays no further attention than to utter an occasional exasperated expletive, there is real danger in the growth of Socialistic and Communistic theories.

ional exasperated expletive, there is real danger in the growth of Socialistic and Communistic theories.

I do not believe that a reactionary policy and the sole slogan of law and order are the best means of meeting the danger of that growth. If I could be told with certainty what the future attitude and temper of capital will be, I could tell better how much danger the future has in store in the growth of extreme radicalism in our political life.

Exports—Visible and Otherwise

INVISIBLE EXPORTS, and invisible imports as well, and a variety of other things enter into international commercial relations, in addition to the official figures of value for the merchandise which physically crosses our boundaries.

Taken by themselves, these visible exports rolled up some tremendous figures in 1919. They placed the value of our exports at \$7,921,000,000, and pushed the value of our imports up to \$3,904,000,000. The totals for the year, however, cover a period containing very different events and diverse influences. In the course of the twelve months the value of imports rose from \$212,000,000 in January to a peak of \$435,000,000 in September, and in December were \$380,000,000. On the other hand, exports ended the year with \$681,000,000 in December, a figure not greatly different from the value in January, 1919, although in June the value rose to \$928,000,000. For December the excess of exports over imports was \$300,000,000, which was the smallest margin of the year and is to be contrasted with \$700,000,000 and more in June. Consequently, if the relation of visible exports to visible imports directly governed foreign exchange, foreign money should have been worth more at the end of the year than in the summer. As a matter of fact, things were the other way around.

Every one knows that exchange does not bob up and down in exact accord with the balance of trade in merchandise. A part of the goods shipped in any month, or even in any year, may have been paid for long before, or they may be sold on a credit that will not be paid for a considerable time in the future. In truth, a very considerable portion of our exports in 1919 were sold on credit granted by our Government to foreign governments.

Just how great a part of the trade balance would be cared for in such ways cannot be computed. The remainder would be increased, however, by a visible part of the exports and imports which have not yet come into the reckoning—gold and silver. Excess of exports over imports of these metals in 1919 was \$291,000,000 for gold and \$149,000,000 for silver.

At first sight these items suggest that the picture has become confused; for if the simple

rule were being worked out, that a balance of exports is to be met only by import of goods or precious metals, the gold and silver should be coming to us, instead of going abroad. This is where the "invisible" part of our present foreign trade begins to count.

This metal is leaving our shores to make payments for other countries. We have the only free gold market in the world at the present moment. In European countries gold is held fast, and has gone to a premium. In England a money lender, a horsetrader, and a diamond merchant have recently been sent to jail for melting down British gold coins and selling the metal at a profit. The fact of the matter is a British merchant who has balances to settle in Argentina or the Far East can use his paper money to buy American dollars, these dollars he can have changed in the United States to the appropriate foreign money, or to gold or silver, and the metal will go on shipboard for its proper destination when the forwarding of metal is more advantageous than use of exchange. Thus, we are today doing a big volume of business that is "invisible," since it does not appear in our statistics. Our free gold market is something like the hub of a wheel of international commerce. This hub has to carry the actual commerce and the weight of speculation that goes with disordered exchange.

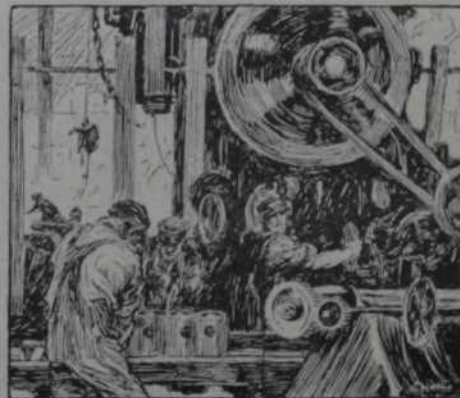
All of this means a great change around. During our Civil War and for years afterward we had a paper currency of our own that was not redeemable and gold here was at a premium. In 1864 it went to a premium of 185. Exchange on London was then the equivalent of gold. Today, exchange on New York is the equivalent of gold, and the chief difference is that gold is not now at so great a premium in England as it was fifty years ago in the United States; the premium is now around 28 per cent.

They All Want Gold

BUT the demand for gold today is intense. Every country wants it, either to put behind its paper currency or to pay trade balances. Between August, 1914, and December, 1918, we added \$1,071,000,000 to our stock of gold, getting pretty much all the world produced in those years. Of that amount we still had on January 20 about \$764,000,000 left, after exporting \$336,000,000 since June, when our restrictions were removed. These exports have been part of our contribution toward international rehabilitation.

It is this economic rehabilitation that will bring international exchanges and other conditions back toward their normal relations. Progress is in sight. In December Belgium had exports of goods that were equal to 64 per cent of its imports—a figure that is to be compared to 74 per cent in 1913. In 1919 England was apparently busy restocking with raw materials, for they represented 61 per cent of her imports for consumption, against a normal of 50 per cent. Partly as a result of those imports, in January of this year England exported her goods to a value of \$500,000,000, if the calculations are at par of exchange. In mid-January an official British publication estimated that at the end of 1920 England's excess of "visible" imports would be no more than \$2,250,000,000 and that she would have "invisible" exports enough not only to make up this amount but to put a billion dollars in surplus!

Meanwhile, the purchases that will be made in the United States with European depreciated currencies will depend upon the prospective profits for the buyers and the other sources of supply open to them.



New Worlds for Old

In the ancient East are countless millions whose binding traditions are surely giving way to progress; they offer fields that are almost virgin for what America has to sell

By RICHARD SPILLANE

ONE of the statisticians of Wall Street figured it out some years ago that if you added an inch to the length of the Chinaman's shirt it would require all the cotton grown in the greatest cotton-producing country in the United States, which at that time was Ellis county, Texas. The statement is bromidic—but it has a new justification.

It is doubtful if many persons appreciated the tremendous significance back of that picturesque illustration. To most men Asia is a sombre, dormant continent, touched only with civilization in the fringe, its people inscrutable, impossible. India we consider a land of mystery and China as a huge, somnolent giant that never has awakened and never will awaken.

We take literally Kipling's

"Oh, East is East and West is West, and never the twain shall meet

"Till Earth and Sky stand presently at God's great Judgment Seat."

Rot. Now, the East is the new world. It is destined to be the great field of exploitation and commercial and industrial development of the next few centuries. It not only is awakening, but is awake. Nothing in history is comparable to the change under way there. American business men have not grasped its rapid change. They see opportunity in Latin America. They see opportunity in the rehabilitation of Europe. They see opportunity in the Dark Continent. But they have not seen the really great opportunity in the East.

The Earth's inhabitants number 1,700,000,000. Of this total 41 per cent, or 700,000,000 are credited to China and India alone. What tremendous consequences attend the increased productive and consumptive power of such a body; the lifting of such a force even one stage toward the level or the standard of the white race.

Liberation From the Past

FOUR striking examples of the remarkable aptitude of the Asiatic to rout himself out of the physical and mental habits rooted in the centuries have been furnished, three of them in comparatively recent days. These are the more striking because we have been prone to consider the Asiatic unchangeable.

First, consider Japan. Until Commodore Matthew C. Perry sailed into the Bay of Yeddo on July 7, 1853, Japan was untouched by what we term civilization. For forty centuries or more it had lived practically to itself, steeped in pagan traditions, knowing nothing of the outside world or the customs or methods of other people.

Today Japan ranks among the first powers of the Earth. It is in the forefront or near the forefront in many of the arts and industries. Its ships sail the Seven Seas. Its commerce is immense. It has vaulted in less than sixty-seven years from obscurity to world prominence. Its products are in every market. It is rearing out to dominate the entire East.

Introducing Mr. Spillane

MR. LAMB DIN'S drawing on the cover of this issue is a fitting introduction for the accompanying article by Mr. Spillane. The vague mind of the coolie at the window is waking to the wonder of this American machine that writes swiftly with its forty-four keys the same thoughts that the Chinese scholar must have five thousand characters to express. And there are peculiar and deeply rooted reasons why China would prefer to equip herself for the new age with American goods rather than those of any other country—as Mr. Spillane shows.

We are glad to inform our readers that we have other stories from the same pen in store for them. They treat on such fascinating topics as how a million young Chinese staged the great boycott; how a prominent ogre of the muckraker has kept the "Open Door" open and added days to the lives of Chinese; India and the future; and the miracle of commercial Japan.—THE EDITOR.

Marvelous as has been the rise of the Japanese, we are prone to believe that their case is singular; that the other people of the East are not comparable to them in enterprise, ability or vision. We are willing to think the others of the East cannot do what they have done.

Let us see. Some years ago I wrote an article about the island of Cebu that showed in a small way one of the marvels of the white man's touch with the Filipinos. Cebu is 120 miles long and from 6 to 20 miles wide. Its population is about 655,000. Until our occupation of the Philippines comparatively few of the inhabitants had been off the island. Their tastes were simple. They lived practically as their forebears did four centuries ago when Magellan discovered the archipelago, and as was the custom for centuries before that time. They raised a few varieties of vegetables, enough, except in time of drought or famine, to feed themselves, and from fibrous plants indigenous to the soil they wove material to clothe their bodies. Generally speaking, they lived by themselves, buying nothing and selling nothing. The rich, and there were only a few who were rich, got clothing of gay colors from Manila.

A part of our program in the Philippines was to establish schools, build roads, develop agriculture and encourage manufactures and trade. The Philippine Railway Company, of which General Cornelius Vanderbilt was president and the J. G. White Company the

contractors, were commissioned to build a railroad in Cebu.

The engineers who laid out and built that road had difficulties such as rarely confront railroad men. So far as possible they had to use native labor. That was essential, not only because the cost of importing white labor would be excessive, but because of the value of educating the inhabitants in the arts of the whites.

The railroad was to run from Danao, in the north, to Argao in the south, 60 miles. As the mountains run through the center of the island and the towns are on the shore, it was necessary to follow the shore line. There are many streams that wind down from the hills. In the dry seasons they are arroyos; in the wet seasons torrents. Engineering problems in connection with bridges, grades, etc., were many.

The engineers were selected no less because of their technical skill than their patience, their ability to teach and their appreciation of and sympathy with the aims of the government.

How crude was the human material with which they began their work may be understood when it is said the first group of native laborers who saw a wheelbarrow had no idea what it was or how to use it. They grasped it by the wheel. Then, when they saw that was not the way, they tried to place the barrow and its load on the head of one of the natives, that being the method of carrying most of their burdens. Once they learned the use of the barrow, however, they handled it skilfully.

The more they learned, the more they wanted to learn. With infinite patience the small force of white men taught them grade making, tie laying, track laying, bridge building. The road was begun in 1906. It was completed in 1909. Within those three years Charles Farnham, the engineer in charge, developed a remarkably good force. One native, a foreman learned so fast or had such talent that within a year he was able to take a blue print furnished by Mr. Farnham and build one of the finest stations on the road.

Building It Wasn't All

BUILDING that railroad was simple in comparison with making it pay. In most countries a railroad appeals to the people if for no other reason than through economy in time. In Cebu, however, time meant nothing. The native had no appreciation of the value of hours or minutes. In addition the railroad had to compete with the centuries-old system of Cebu transportation, the carabao or buffalo cart and the boats by which many persons preferred to travel.

To overcome the carabao and the boat habit was the passenger agent's job. The problem of the freight agent was more difficult. Without freight the road could not succeed. To provide freight industries had to be created.

The soil is alluvial and, when irrigated, wonderfully rich. Farming methods were crude. The men who worked on the build-

ing of the railroad got approximately 50 cents a day. This was fabulous pay to them. With more wealth than most of them ever had possessed before they found they had desires for some of the things the white man used—shoes, good shirts, coats, trousers, wonderful machines that talked and sang and played; sewing machines, toys, bicycles, picture books, story books—a thousand and one things.

They got what they could but when their money was spent they learned the only way to get more was by earning more money. How could they get it?

The government and the railroad pointed the way. It was by production, by producing on the island of Cebu what the people of the other islands of the archipelago or the outside world required.

Agents of the government furnished seed for corn, cotton, peanuts, maguey and a multitude of other things. Better methods of irrigation and general farming were suggested. Then the mountains were explored to see what they contained that could be made the basis of new industries.

Today Cebu knows a wonderful agricultural development. The marketing of the crops has become almost a science in itself. The railroad displays bulletins each day on all 22 of its stations quoting the prices for all the products of the island. The expedition with which the produce is gathered, the manner in which it is shipped to the other islands, and the promptness with which the producer is paid would do credit to the best railroad in America and to those remarkable Californians who have done wonders with the marketing of their fruit crops.

The men who went into the hills found, among other mineral deposits, coal. It is a very fair anthracite. That means not only a coal trade with the other islands but manufactures.

So far as finances are concerned matters are easy for that Cebu railroad, much easier than for most of the old established railroads of the United States. Rates, thus far, have not been questioned by the patrons. There is no public service commission pestering the officials. From a railroad viewpoint the situation is ideal. No protests come from the shippers at Tuyan, Carcar, Liloan, Maslog or Sangat. If they have anything to say it is in praise. No petitions come from the Ocana Board of Trade or the Mandaul Chamber of Commerce, if there are such bodies. The railroad chief is a prince or considered so, the leading citizen and the pride of Cebu. He fixes freight rates according to the competition of the bull cart and the boats.

It Costs to Ride Here

PASSENGER rates are still compared with our fares. There are three classes and the charge is per kilometer (about $\frac{5}{8}$ of a mile). First class is 4 cents per kilometer, second $2\frac{1}{2}$ and third $1\frac{1}{4}$.

Nothing illustrates the transportation in Cebu more than the fact that the native is beginning to consider time. He rides on the railroad to save time. Not only that but he has become so advanced in his ideas that he has requested the establishment of automobile feeder lines for freight and passenger traffic between the important settlements near the hills and the railroad near the shore.

All but a few of the employees of the railroad are natives. The train dispatcher is a Filipino. He handles trains by telephone. The general freight agent, traveling freight agent, all conductors, guards, station agents,

engineers and firemen are Filipinos. The road has 6 locomotives, 25 passenger cars and 51 freight cars. They are equipped with air brakes, automatic couplers and standardized as to wheels, couplings and interchangeable fittings. The gauge is 3 ft. 6, the Oriental standard. In the shops only one man, the master mechanic, is white. Only one engineer of the number on the road ever was off the island or saw a locomotive until the line was built on the island of Cebu.

The Chartered Bank of India, Australia and China has a branch in Cebu.

The Philippine National Bank, which has resources of more than \$80,000,000, and which would bulk big in any place in the world, has nearly 50 branches throughout the archipelago. It even has a branch in New York.

The Lesson of the Philippines

THE Philippines have a prosperity that has impressed the East to a wonderful degree. The Filipino has advanced more in 20 odd years of American control than in the approximately 400 under Spanish rule. Manila has a big commerce, and sanitation has reduced the death rate. Good roads have broadened business. No where on earth has there been such an advance in the education and material progress of a people.

What is said about that Robinson Crusoe railroad of Cebu merely points the tale as to the Philippines generally.

Those who are in position to speak by the card say the object lesson of the Philippines has done more to arouse China than anything else in its long history. Between China and the Philippines there is a large trade and a considerable flow of people. The same is true to a lesser degree regarding Japan. The Filipinos take more to the Chinese than the Japanese. The Chinese have been more partial to Americans than any other white people. There are good reasons. The first white man ever to rise to high position in China was Frederick Townsend Ward, of Salem, Mass., the remarkable adventurer who commanded the Chinese armies, the "Ever Victorious Army," in the Taiping rebellion and who was made Mandarin of the First Rank, Lord Admiral of the Chinese Navy and who died at 32 on the field of battle. Today his tomb is one of the shrines of China. It was Ward who did the work for which "Chinese" Gordon later got much of of the credit.

The Chinese do not forget Ward even if the Americans do.

The return of the Boxer rebellion indemnity made China believe in America as in no other nation. At first the Chinese thought it was but a trick of the foreign devils but later they knew it was not.

But nothing carried so much weight with China as what was demonstrated in the Philippines. The rise of the Filipino from the lowly state of a quarter of a century ago to his position today, the unselfish work of the Americans in educational, agricultural, commercial and industrial ways has not gone unnoticed. Back from the Philippines Chinese merchants, traders, bankers, workers, and others have brought tales to their brothers and relatives in the Flowery Kingdom and more has been learned, more has been told of the benefits of the White Man's civilization as typified by America than Americans ever have imagined. The Chinaman is slow to believe but once convinced he rarely, if ever, changes his opinion. He has come to look upon America as the hope of China. He is

more desirous of trading with Americans than with any other people. Is America to capitalize this tremendous asset?

Commercially the Philippines have paid America twice or thrice over for every dollar expended there and the payment will increase and continue for generations upon generations. The same is true of Cuba.

But the Philippines are negligible compared with China. In the archipelago the population is about 9,000,000. China's population is 350,000,000 or 400,000,000. The rate is about as 1 is to 39 or 45. The Philippines in natural resources have little and China is rich in minerals and other natural wealth. The Chinaman is one of the most industrious of workers. The Filipino is not. The Chinaman is strong bodily. The Filipino rates far below him physically.

For the first time in all the ages China is beginning to know the spirit of nationalism. If this spreads, as now seems certain, it means a new China, a China that may do in 50 or 75 years what Japan did in a like period and that commercially, industrially and agriculturally will dwarf Japan.

The yeast is working in the Far East. It is working even in Chosen, which we have known as the Hermit Kingdom and from which come the amazing stories of an uprising against the Japanese invaders. Surely the times are queer when a people like the Koreans feel the impulse of a new life after uncounted ages of isolation if not hibernation.

India Too

THE yeast is working in India, also. India with its teeming millions has potentialities only second to those of China.

What does all this mean to the American business man? He has had his ideas centered on two major objects: Europe and Latin America. From these two he has expected much of the commerce that would compensate him for the cost of war and would justify the new American marine.

In all Latin America there are not nearly half so many persons as in China.

In all of Europe, outside of Russia there are fewer inhabitants and fewer natural resources than in China.

Europe is intellectually, financially and industrially bankrupt. If it was not intellectually bankrupt it would not periodically destroy its wealth. Its financial and industrial bankruptcy are confessed. America can hope for no particular benefit from its commercial or financial relations with the nations across the Atlantic in the next quarter of a century or more.

The world never has seen a great people, a great nation or a great commerce south of the Equator and the star of Empire has passed from Europe perhaps for all time. If this be true it would be prudent for America to give earnest thought to the Far East as its field of greatest promise.

Sixty odd years lifted Japan from obscurity to the front rank among the nations of the earth.

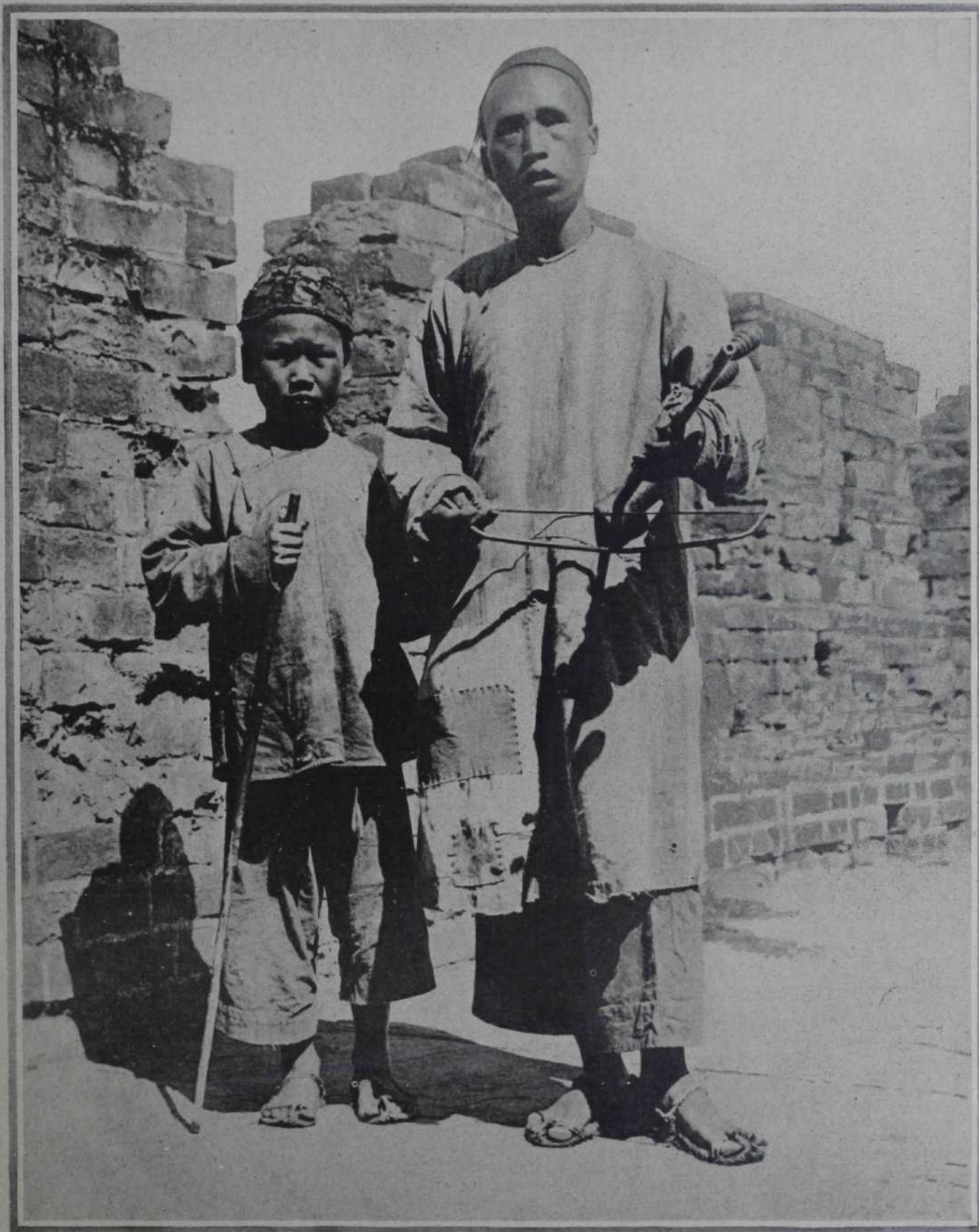
Twenty years lifted the Philippines from darkness, savagery, deepest ignorance to light and prosperity.

What may be expected of other people of the East? Its dawn in Asia.

Consider what that means in view of the fact that if you added an inch to the Chinaman's shirt it would require all the cotton grown in our greatest cotton country.

Consider what that means in view of how the purchasing power of the people of Cebu grew with the touch of civilization.

Look to the East.



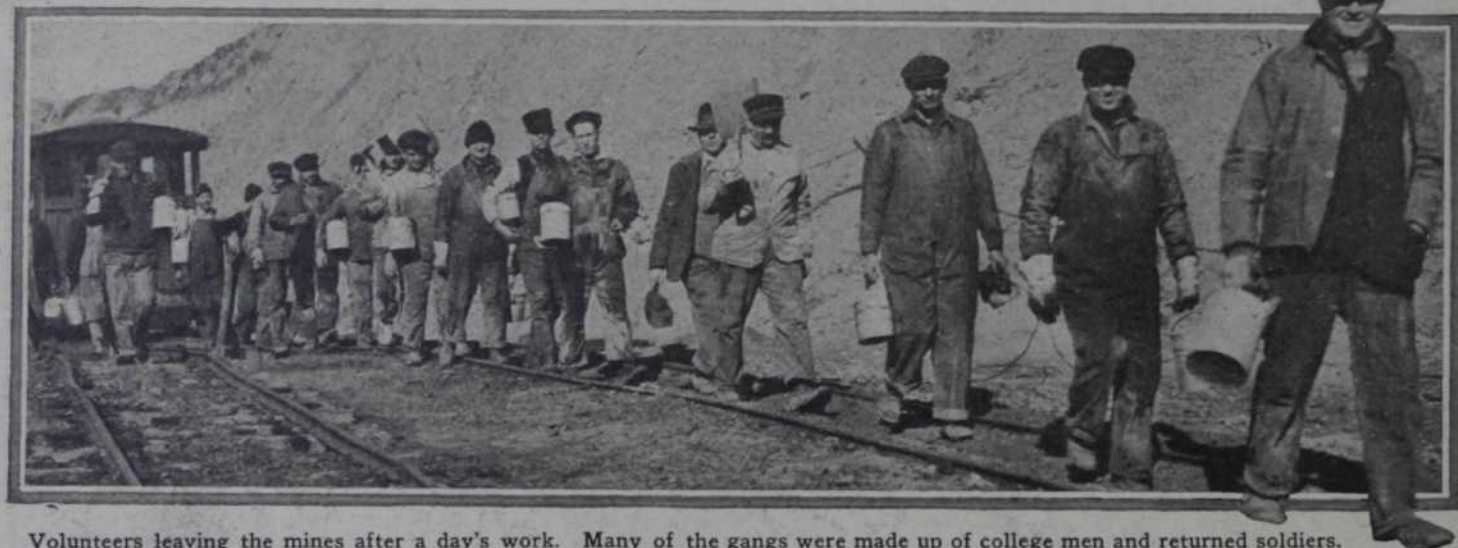
CHINA is typified by this picture of the blind man and his young guide. Rich in tradition and ancient glories, this vast country had allowed the past to overcome it. China not only failed to keep abreast of progress, but she even neglected the heritages left by her ancestors. Incom-

parable shrines and temples were allowed to become foul with weeds and to fall into decay. Apparently the hope of the race now lies in the young men who have studied in America. They go back home to apply Western knowledge and lead the old man of the East into better ways.

Speaking of Anti-Strike Laws---

Kansas seeks to prevent repetitions of November's bitter experiences through establishing an industrial relations court and declaring unlawful strikes or lockouts that interfere with necessities

By RAY YARNELL



Volunteers leaving the mines after a day's work. Many of the gangs were made up of college men and returned soldiers.

WHEN the soft coal miners quit work November 1 throughout the country there was some concern among Kansas people but little alarm. They were facing a new experience and were unable to forecast what was to come. Then the coal shortage struck the state. Kansas went down, but not for the count. She scrambled to her feet fighting mad, and got into the scrap.

She won the fight. And then Kansas proceeded to seek out and make available a remedy. That remedy, as prescribed by the legislature, is a court of industrial relations.

Negotiations in Washington had borne no fruitful results and the miners, certain in the belief that they held the country helpless because of a shortage of coal, would not give in unless forced to do so. Governor Allen, ex-reporter, publisher, hard-working business man, took over the Kansas coal mines and placed them in the hands of a state receivership. The operators shied at the move, but Allen had them partly convinced that they must let him fight this fight in his own way. They gave in and offered no opposition.

As the largest employer of labor in Kansas, by virtue of controlling the coal mines, Governor Allen went among the striking miners of the Pittsburg district inviting them to dig coal for the state. Union leaders did not know what to expect. Although Alexander Howat, president of district 14, United Mine Workers, was a virtual czar, like a czar he and his lieutenants feared to have their power weakened.

The miners turned out to hear the governor talk. He made a stirring appeal for support, promised the miners retroactive wage increases on the basis of whatever settlement was eventually reached and agreed to adjust wages himself if the controversy was not settled within a reasonable time.

His appeal received sympathetic attention but he could not overcome the miners' fear that if they went to work for him their lead-

ers would punish them. Many had suffered from arbitrary fines. They had to have union cards to live and the cards could be taken away.

Governor Allen returned to Topeka. After conferring with Major General Leonard Wood in Kansas City, he ordered the mobilization of the Kansas National Guard and issued a call for one thousand "sturdy young men, able to take care of themselves, to dig coal in the open strip pits in Crawford and Cherokee counties." Four thousand men volunteered and before the strike was over the governor had 6,000 listed.

The First Train Was Wrecked

FEDERAL troops were sent to Pittsburg first. The volunteers went in special trains protected by national guardsmen. Before it reached Pittsburg the first trainload of volunteers was wrecked. It ran into an open switch and several cars were overturned. Only one man was hurt and he but slightly. Responsibility for the accident has never been fixed.

There were no demonstrations in the mine fields. Union leaders contented themselves with protests. Machinery at a few mines was damaged, but there were no serious depredations. The troops were instructed to maintain order but to do it diplomatically.

Special crews of skilled engineers had been recruited to operate the steam shovels and the dinky locomotives used in the strip pits. The volunteers found the pits in bad shape. They had not been operated for a month; water had accumulated, the machinery was out of repair, many parts were missing, and the men were green at their work.

The volunteers arrived at the mines in the midst of a snowstorm. They had no comfortable quarters in which to sleep. Field tents were furnished, but the Sibley stoves were unable to keep out the cold. The cots, with the wind whistling under them, were

like refrigerators, and the men abandoned them to pile down on the straw-covered ground with their blankets.

The first day the college men among the volunteers played football in the pits during a snowstorm, while curious miners stood on distant pit hills and watched "the crazy fools." And when these "rah-rah" boys got at the business of mining coal they did it with the same abandon they played football. The Kansas University team, led by Wint Smith, of the Jayhawker football eleven, an overseas veteran, set the pace in production the first day and maintained it until the volunteers were victoriously withdrawn. The Kansas State Agricultural College team ranked second, and the teams from other schools were close behind.

They were cold and uncomfortable and lacked the least suggestion of recreation. The weather got worse steadily. Below zero temperatures came and with them sleet and snow. But the men never mentioned quitting. Union miners bragged that it was impossible to operate the strip pits. But Allen's volunteers did the impossible. They mined coal and they sent part of the first car load to the Pittsburg hospital where sick relatives of miners were being cared for.

Every day the output of the strip-pit mines increased. The volunteers were winning. Other States were watching the experiment in Kansas and one day the Governor of Oklahoma and the Governor of Missouri ordered troops to the mine fields and called for volunteers to go into the mines.

Because he had started the fight and his heart was in it, Governor Allen moved the State executive offices temporarily to Pittsburg. He visited the volunteers at the mines in bitter weather and cheered them on. He kept up their morale. He aimed at the morale of the strikers, many of whom were weary of strife. They began coming to him with their troubles and their fears. And

union leaders became alarmed. Allen and his volunteers were digging coal, shipping from 10 to 25 carloads a day. Public opinion was with the volunteers. The press was against the miners. And over all hung the menace of the injunction granted by Judge Anderson at Indianapolis against officers and members of the United Mine Workers of America. The hearing was drawing near.

Then from Washington came the sudden announcement that an agreement had been reached, that the strike was off, that the union miners would be ordered back to work.

Howat came back to Pittsburg. He had said in Washington that the union men would not return to work until the troops and volunteers were out of the district. But in a Pittsburg hotel, after a conference with Governor Allen, he signed an agreement to let pit miners go to work in one pit while volunteers dug coal in another. For the first time in many years union and non-union men worked practically side by side, and with Howat's consent. Howat had lost his fight and submitted, though half-heartedly. His word finally ended the other strikes in the Kansas field.

He Won—But He Didn't Stop

GOVERNOR ALLEN had won his fight. But he did not stop. From his capital in Pittsburg, he issued a call for a special session of the legislature to enact legislation which would make such a thing as the coal strike impossible in the future. From the strongest union city in the State he asked Kansas to put on the statute books a law which would make a strike in an industry invested with a public interest illegal. He demanded legislation establishing a court of industrial relations on which neither capital nor labor would have direct representation, but which would be 100 per cent representative of the public—that part of the population which so long had been the football in industrial strife.

During the two weeks' interlude before the legislature assembled the work of the receivership was closed up, the volunteers and troops sent to their homes, and the best talent in the State put to work drafting the industrial court bill. Accident played a part in the establishment of the industrial court. For many years W. L. Huggins, of Emporia, father of the bill, has been advocating a new method for the settlement of industrial controversies. He detailed his idea in an address before the Rotary Club in Topeka.

Governor Allen heard of that speech. He set Huggins to work drafting the industrial court bill. With but few changes, none of them fundamental, the bill Huggins wrote is now a law in Kansas.

Huggins got his original idea as a result of the railroad strike in 1894. This strike set Judge Huggins to studying industrial law. Comparing labor legislation in New Zealand and Australia, he became convinced that adjudication, not arbitration, was the solution of the industrial problem.

An unexpected but dramatic incident occurred the day the legislature opened. Labor leaders, representing chiefly the railway brotherhoods, came to Topeka and issued a statement condemning the proposed industrial court. The statement was bitter. It spoke of involuntary industrial servitude and of a return to slavery.

That statement was in the hands of the governor before he delivered his message at a joint session of the legislature. It was the extra pound of steam which blew the lid off. Governor Allen entered the house waving a

paper in his hand. He delivered a scathing attack upon leaders of the railway brotherhoods.

It was a bombshell in the ranks of organized labor, mobilized to fight the bill. Labor leaders had not expected that any man in

The Kansas Code

ALONG with other States, Kansas had come to accept strikes and their attendant inconveniences and discomforts as a matter of course, to be borne as patiently as might be. But when the threat of letting the public freeze was made by one party to an industrial controversy while the other party looked on with entire unconcern, the righteous indignation of the citizens of Kansas crystallized into instant action. Out of this situation came a determination of the Kansas people to make future episodes of this kind impossible. The legislature of Kansas, called in special session, passed an act establishing a court of industrial relations, which is designed to prevent strikes or lockouts in essential industries.

That act is now law and awaits a test. I believe the time has come in the increasing industrial life of this country when such a tribunal should have the power to take under its jurisdiction the offenses committed against society in the name of industrial warfare, and possess the authority to meet industrial discontent by a careful oversight and regulation of the conditions of labor before any injustices are allowed to foster and breed class hatred and bitter antagonisms.—HENRY J. ALLEN, *Governor of Kansas.*

politics would openly defy them as Allen did. They were taken aback. A threatened demonstration was called off. Plans were changed. Bitter assaults gave way to argument, followed by appeals.

Labor soon retired from the ring. Petitions, which had been sent in by the score during the first few days, some of them threatening a strike if the bill passed, almost ceased to come. Of a sudden the legislature found itself free to proceed with the measure with practically no open opposition.

After that it was simply a matter of enacting the proper bill. Sentiment among some members of the house was to increase the number of teeth in the measure. An attempt was made to include an amendment establishing the open shop in Kansas. There were members who advocated taking away from labor what protective legislation it had secured.

But in the senate the bill was carefully guarded. It was worked over in the judiciary committee until legislators believed it was sound from a legal point of view. Introduced in the senate, it was passed within a couple of hours, almost without debate. The house sent it to conference. With only minor changes in wording the conference committees agreed on the original senate draft.

On the nineteenth day of the special session

January 23, 1920, the bill was passed and sent to Governor Allen for his signature and it became a law.

The industrial court bill is revolutionary in character. It abolishes the strike, but it gives to labor, instead of that weapon, means of arousing public opinion by a presentation of facts in an impartial court. Labor, mistreated, can secure justice. But controversies which would affect the well-being of the public are prohibited. Briefly, the bill establishing the court contains the following provisions:

Creates a court of industrial relations of three members at \$5,000 a year each.

The production and transportation of foods, clothing, fuel and the operation of public utilities and common carriers are declared invested with a public interest and the court given power to regulate and, in emergencies, operate such industries when the public welfare demands.

The utilities commission is abolished and its powers and duties turned over to the new court.

The court is given power to investigate wages, living conditions, working conditions, controversies between employers and employees, and to issue such orders as are just and reasonable in the interest of the public.

Rights of labor to a fair wage and of capital to a fair return on its investment are guaranteed.

The Strike Clause Provides—

INTERFERING with the continuity of production of an essential industry, except on order by the court, is made a felony or misdemeanor, depending on circumstances. This includes strikes, lockouts, picketing, sympathetic strikes and conspiracies to hinder production.

The ordinary citizen who violates the orders of the court or the provisions of the act can be sent to jail for one year or fined \$1,000, or both.

The officer of any corporation or manager of any business, or the official of a labor union or organization or association who violates the provisions of the act, may be sent to the penitentiary for two years or fined \$5,000, or both.

The right of collective bargaining is recognized.

Appeal to the supreme court is provided for any person or corporation aggrieved at the ruling of the court.

The court may act as a board of arbitration for other than essential industries on request of ten persons affected.

The court can initiate action in any controversy or it can be brought to take action on petition of certain taxpayers.

It can go outside the State to conduct its investigations.

The special session of the legislature which established this new industrial code will cost Kansas approximately \$325,000. Much of the money appropriated will be used to meet high cost of living problems in the State, so all of it cannot be charged against the coal strike and the court. It is doubtful if there is a single member of the legislature who believes the session was not worth the cost.

Kansans feel that the industrial court law is blazing a new trail. Through it, they believe, the discord which has always existed between employer and employed will be largely eliminated in Kansas. Leaders predict that within a few years labor will be urging the establishment of similar courts in other States and perhaps a national court of industrial relations.

Financing a Continent

Twenty Latin-American nations come to Uncle Sam with their financial worries; and that harassed gentleman tells them what they can—and can't—expect

BY ERNEST H. GREENWOOD AND HUGH REID

THERE was a time when the solution of the financial problems of a single country was considered a sizeable endeavor. Today nothing seems to attract attention unless it is on a large scale.

Last month there convened in Washington, D. C., a body which set a new pace by trying to finance a continent, or to be exact, a continent and a third. The Pan American Financial Conference was an attempt to consolidate the financial needs of the twenty Latin American Republics of South and Central America.

The best way to describe the organization and its mode of operation is to say that it consisted of a sending and a receiving end. Maybe it would be more exact to say a proposing and a disposing end, the proposals being made by the Latin American Republics, and disposals by the United States.

The Latin American delegates consisted of the ministers of finance—or their representatives—of the twenty Latin American Republics, together with two representatives appointed by each of those countries, who represented the business and commercial interests of their respective nations.

These submitted their projects to approximately two hundred and fifty financiers, railroad executives, economists and engineers of this country. For the purpose of intensive work the assembly was split up into twenty-one groups or committees, one for each country. Each committee was headed by some prominent financier with large interests. For example, Mr. Frank Vanderlip, of the American International Corporation, was Chairman of the Committee on the Argentine. Mr. Paul Warburg headed the Chile group, and Mr. Franklin Q. Brown, the Cuban.

Men of Action

OCCASIONALLY, however, this was varied and the chairman was identified, not so much with banking, as with commerce and manufacture, as in the case of former Secretary of Commerce Redfield, and Mr. Edwin M. Kerr of the Westinghouse Electrical, who were in charge of the Committee upon the Dominican Republic, and Ecuador, respectively.

Each committee included a special representative of Secretary of the Treasury Glass. Most of these were from the Treasury Department itself and Mr. Glass went outside his own family circle in only one or two instances, such as those of Edward F. Sweet, Assistant Secretary of Commerce, and Breckinridge Long and Julius Lay, of the Department of State. These three guarded Mr. Glass's official operations in so far as they concerned Chile, Guatemala and Paraguay. Just what these special representatives were supposed to do is a trifle vague, but their principal vocation seems to have been to add the necessary Government prestige and to act as liaison officers between the Government, the delegates from South and Central America, and the finance and commerce of this country.

In addition to these distinguished persons, each committee had fifteen or sixteen members selected from rather diversified walks of life—bankers, manufacturers, jurists, college professors, economists, experts in foreign commerce, railroad executives and engineers. The list reads like a "Who's Who" of world affairs.

It is too early to size up the actual results of the conference with any degree of accuracy. Those who expected it to settle all the problems of South America are doubtless disappointed. On the other hand, those who saw the whole Latin American problem in its world setting are vastly elated with what has been done. The United States is in no position to discuss South America to the exclusion of the rest of the world.

The Two Subjects

FINANCIERS were careful to point out at the beginning of the conference that there were really two subjects to discuss—what are we going to do right now and what is to be our permanent policy?

They said in advance that what we do in the immediate future does not necessarily have any relation to our permanent policy. It is therefore not surprising to find bankers frankly stating that the immediate effect of this conference will be to solve only a few of the Latin American problems. South America, they say, can only be assisted to the extent that she can help to solve our own problems. This is business and not charity.

This point they say, although a very selfish one is a very important one if we consider world conditions today. It would no doubt be a fine thing if we could take a day off, and as a matter of pure benevolence make Latin America happy, prosperous and contented. The trouble is that there are twenty or thirty other nations also in need of happiness, prosperity and contentment. And they all appear to think that we have the wherewithal to content them. There is no solution if we consider this problem from the standpoint of relief only, for no matter whom we feed someone else must starve. We can only do the best we can for everybody concerned.

What then? The whole problem, say these financiers who have listened to Latin America, must not be considered with regard to the needs of any one nation alone.

All in the Same Boat

THE present situation is a world situation, we are all in it whether we wish to be or not. The best thing for everyone—and it doesn't matter whether Belgium or Ecuador is immediately concerned—is to get the world back to normal. The things most needed to get the world back to normal are those things which we group together and call capital. On the surface we think of capital as money, but it really consists of railroads, machinery, and tools of production of all kinds. Now it happens that there is a shortage of capital in the world today; the United States has the greatest share. Her problem is not to distribute the capital, but to find the best basis

of distribution. The answer to this enigma lies in Europe.

Our greatest stake is in Europe. We have too big a stake in that stricken country to go in for large-scale South American finance, no matter how alluring. The United States today is in the position of a man who holds a mortgage on a house that is liable to burn down. His chief concern is in preventing fire. We don't dare keep out of Europe. We have no choice in the matter.

"Let it be perfectly clear," the bankers say, "that if matters came to a choice between Latin America and Europe, Latin America must take second place. There is only one basis upon which we can help Latin America. Latin America herself must be able to help the world, which for the present, means Europe."

South American loans at present seem to be impossible, unless those loans will result at once in an increased flow of materials for European relief. Fortunately, there are such possibilities. It developed, for instance, that in Honduras the building of a hundred miles of railroad will link the oceans and make available almost immediately a large addition to the world's supply of sugar, and bring hitherto unmarketable cattle into the market.

According to a government official who has made numerous trips to South America and has made an intimate study of the situation, the building of a few hundred miles of railroad will make available land in the state of Matto Grosso, Brazil, which will produce enough cattle to feed more than half the world. In other places a few million dollars in shipping will make food supplies available at once.

Relief Has Priority

JUST what these sources of immediate European relief are, was the first task of the conference. Many of our Latin American neighbors have been coming to the United States, with schemes for development, of a magnificence proportionate to their political resources, and there were plenty such presented. Many of these undoubtedly had merit, and would have received more consideration if the world were perfectly normal but, as it was, the committees had to consign to their files any plan which would not bring immediate results. It is regrettable that such plans should have to take their chances in the future but it is difficult to see how they could receive better consideration at this time. They must wait until the world is on its feet again.

The conference did more, however, than look out for Europe, although its immediate concern was that continent. It laid the foundation for permanent South American relations that will result in a steady increase in trade. For the present the European crisis rules the situation. Some day, however, Europe will be on its feet. These engineers, financiers, and manufacturers are looking ahead to the day when Europe and the United States will again be competitors in South America.

The Latin American trade before the great European War was well based and we had nothing to fear from any European competition. It had what amounted to a practical monopoly in Mexico and Central America, and was slowly absorbing British and German trade. This process was rapidly accelerated by the opening of the Panama Canal, which brought the ports of the West Coast very near to America. But with regard to the six remaining countries, it was still far behind the British and Germans with no prospect of catching up for many years to come.

The great war, however, made an abrupt change in all the business relations of the nations of the world with Latin America. Consider, for instance, the contrast between the year 1913, and the year 1916, which may be taken as fairly typical. Combining all the Latin American countries we find that in 1913 the United States and Great Britain were running neck and neck, with the United States in the lead, by a fraction of one per cent. Of the total products sold to South America, each delivered approximately one-fourth, Germany was third, and France delivered approximately a sixth.

In 1916 Great Britain had lost a fourth of her trade, and Germany five-sixths of hers. While this was happening, however, our own trade had more than doubled. In 1916 the United States did over fifty-one per cent of the Latin American business.

Now consider exports from South America. In 1913 the United States was South America's best customer. She bought very nearly one-third of the products leaving Latin America. Great Britain purchased a fifth, Germany an eighth, and France a twelfth. In 1916, on the other hand, the United States' one-third had increased to forty-five per cent. The German trade had shrunk to almost nothing, while the French and British had increased so little as to be almost stationary. But the important thing is that the British purchases in South America held their own.

The Canny Britisher

AND just there lies the British strength. They have maintained all their buying channels. And when goods flow one way they are likely to flow the other. Trade routes are always double tracked. Where a nation buys most it is most likely to sell most.

Just what is the advice, then, of the conference, if we are to lay the foundation for the trade of the future? It was, of course, expected to urge a continuation of the work so admirably begun by a number of American banks, and it has done so. Their value to foreign trade cannot be overestimated. But they feel that it is a mistake to imagine that the mere extension of such activities is, in itself, a solution of the problem. The banks are principally concerned with purely commercial business. They discount commercial paper, make short-time loans, and in general assist the American producer and the South American consumer to get together.

In other words, they make trade easier. *But they do not create trade.*

Consider, for instance, the creation of America's market. Go back three quarters of a century in our own history. Seventy or eighty years ago we were, as a nation, in much the same economic position as South America now is. The United States was rich in potential resources, but it had scanty

fully neutralize in the public mind the impression of past instability. A necessary preliminary to Latin American investments is the building up of American confidence in Latin America. This can only come through the medium of persons in whom American security buyers themselves have confidence.

South American promoters who come to the United States to finance a railroad are likely to find our people skeptical. The American security buyer wants the assurance of his own financial adviser—the American investment banker—that the investment is sound. The banker is not going to extend that assurance, unless he knows upon the advice of competent engineers and operators that the project is feasible as an engineering project, and profitable as a going concern.

It was with these ideas in view that the conference assembled just the sort of men mentioned. Every proposal had to run the gauntlet of American experts. In bringing men of standing in all these lines together, the conference aimed to build machinery by which confidence might be created. Confidence is granted where confidence already exists.

What are these investments likely to be? In the first place, railroads.

The most abundant supply of raw material is of no value without adequate means of transportation. South America has more acres than can possibly be cultivated under present conditions, if they could merely be made accessible to the market. The most satisfactory arrangement in the world for the purchase of manufactured articles is

worthless without facilities for distribution. Either way we look at it, whether from the standpoint of purchase or from the standpoint of sale, South American transportation is a good investment for America. The countries of the southern continent are very anxious to extend their transportation systems. A glance at the figures will show how woefully lacking the necessary facilities are.

Bolivia, which has an area nearly nine times that of the state of Kansas, has only eight hundred and forty miles of railroad. Our own state of Illinois has an area of 56,665 square miles to 97,722 square miles for the Republic of Paraguay, and yet that entire country has about one-tenth as much railroad track as there is within the municipal limits of the city of Chicago.

A Big Little Railroad

ONE of the plans approved was that of building sixty-odd miles of Bolivian railway needed to connect the two oceans. This tiny link would unravel many a troublesome transportation knot, but presents something of a financial and engineering knot itself, as it will be one of the most costly and one of the most difficult bits of construction attempted. One of the engineers at the conference sizes it up this way: "Thirty miles straight up in the air and thirty miles down again."



Courtesy the Pan-American Union

Much of South America's traffic still goes thus—on the hoof. The great need is railroads. Sixty miles of rails in Bolivia will connect two oceans! Distances on our sister continent are great like those of the United States—which qualifies our engineers and our equipment especially for the work.

means for developing them. We needed factories, railroads, and public utilities, and set about getting them. So, for sixty or seventy years, British, French, Dutch and German money flowed to the United States in a steady stream. We laid our rails, financed our mines, and built our factories, while American securities went into British stockings and British strong boxes and vaults.

But while this wealth was flowing to America, one thing else was flowing back. While Great Britain was financing American railroads she was also getting her share of American trade. If the United States expects to get the lion's share of Latin American trade, she must make up her mind to cultivate the field of Latin American investments. This, as has already been pointed out, does not mean commercial banking. *It means investments.*

Upon being asked as to the extent of this need a prominent treasury official, noted for conservatism, replied:

"A minimum of \$500,000,000 a year."

Yet such a thing is impossible without some such organization as the present conference. Americans are dubious about buying South American securities, because they know next to nothing about South America. To many of them South America has been more of a speculation than an investment. The stable governments of today have not been able to

The enormous success of the Argentine has been due almost wholly to her realization that railroads are worth while. Many years ago Argentina learned that the secret of growth was railroads. Today there are more than 22,000 miles of railways in the country. It ranks ninth among the countries of the world.

Argentina built railways through virgin territory. It ran its lines through regions unvisited by man. As a result, it has a capital city of upward of two million inhabitants, the largest city, by the way, in Latin America, and the second largest Latin city in the world.

The other South American republics are anxious to follow Argentina.

In addition to the financing of public projects there is a wide field for private financing in such projects as petroleum, railroads, sugar, lines of communication.

Perhaps the most important of the South American products of the future will be petroleum. The conversion of ocean transports from a sail-driven to a steam-driven system worked amazing wonders. There is little doubt that the substitution of oil for coal will have a similar effect.

With these facts in view, the program of the conference is understandable. There were six principal topics of discussion.

The first was the effect of the war upon the economic conditions of the South American Republics. It was interesting to see to what extent the war has stimulated or retarded the development of these countries. They will undoubtedly be more independent in some respects, but the lack of transportation and shipping has prevented them in most cases from seizing their opportunities. So important was the latter that one nation—Uruguay—makes shipping her sole demand.

The second subject concerned methods for providing capital and credit. This proved interesting to our own bankers, for it naturally included the question of the extension of banking facilities, and a wider use and expansion of their forms of credit, the creation of markets and the distribution of securities. Among the interesting facts brought out was the unanimity of sentiment among our own bankers that South American banks be permitted to establish branches in the United States.

The third subject concerned national credits and the entire subject of public fiscal systems, together with public debts.

The fourth item concerned the effect of the war on transportation facilities. The effect of the present lack of transportation facilities of South America is to retard the satisfaction of the economic needs of the world. Our own people are apt to center upon this as the best way to help South America and Europe at the same time. There was marked dissatisfaction with the slowness of our own Shipping Board in establishing freight lines and a considerable difference of opinion as to where the blame lay.

The last two items of the tentative program are measures to promote easier commercial intercourse among Pan American Republics themselves and to work for uniformity in legislation. Among the means which received the most support was the plan for establishing an International Gold Clearance Fund. It was felt that such a plan would assure the safety of gold deposited, avoid necessity of shipment and stabilize exchange as well. Under this heading also came the only subject upon which there was not only unanimous agreement but unanimous enthusiasm. The extension of commercial arbitration was urged on every hand.

At Last--A Law for the Railways!

The Senate and House conferees have agreed on a measure that will be the basis on which the carriers will be returned to their owners on the first of March

SIX months ago there were more than thirty different plans for taking care of the railroad situation at the conclusion of government operation. Practically every organized element of our citizenry had something to offer on the subject. Congress let the bars down and called for suggestions. Every scheme devised got into a bill in some form, and in due course and after much sifting of grain from the chaff there came before the House what has been known as the Esch bill, which was passed by that body; and there came before the Senate what has been known as the Cummins bill, which was passed by that body, as an amendment to the Esch bill. The House declined to accept the amendment, and asked for a conference. Now from the conference committee comes a compromise bill which the Senate and House will pass after more or less debate.

The passage of the bill will make it safe for the President to return the railroads to their owners March 1.

First in importance is the adoption of a rule of rate making, providing for rates to be fixed by the Interstate Commerce Commission which will enable the carriers of each traffic district to earn 5½ per cent net on the aggregate value of their property for two years after the schedule of rates goes into effect; after the experiment of two years, the limit of net earnings is to be determined by the Commission.

The business men of the country, acting through the Chamber of Commerce of the United States, backed Senator Cummins in his fight for the rule of rate making. To hold it, however, Senator Cummins gave up the proposed Federal Transportation Board, and permitted the powers of this Board to go to the Interstate Commerce Commission.

Under the compromise bill excess earnings of more than 6 per cent shall be divided

The Result

AN analysis of railroad legislation as finally agreed to by the two Houses of Congress reveals in an interesting fashion the extent to which the proposals of the country's business men, as expressed in a referendum vote of the membership of the Chamber of Commerce of the United States, were incorporated. Five of the Chamber's principles were adopted and two defeated. The following chart sets forth the suggestions of the Chamber's membership and the action of Congress:

National Chamber Principles	Action
1. Return of the Roads....	Adopted
2. Permission to consolidate, Adopted	
3. Federal incorporation....	Defeated
4. Federal Regulation of capital expenditures and securities.....	Adopted
5. Federal regulation of Intrastate rates affecting Interstate Commerce, Adopted	
6. Statutory rule of rate making.....	Adopted
7. Federal Transportation Board.....	Defeated

equally between the government and the company making the earnings, the government's share to be used in furthering the public service rendered by the carriers, either by way of purchase, lease or rental of transportation equipment and facilities to be used by

carriers, or by way of loans to the carriers.

The rule of rate making is regarded by business men as vital to the successful operation of the railroads. Service is the crying need, they insisted in their representations to Congress, and unless the railroads could earn enough money to show a reasonable profit, capital would not be invested in railroad securities.

Railroad owners have said that 5½ per cent is not enough; that they ought to be permitted to earn as much on their investments as owners of banks, mills and other industries earn on their investments; but expressions heard from several prominent transportation officials when the decision of the Conference committee was announced indicated that they were not greatly displeased.

The principle of railroad consolidation, advocated by the Chamber of Commerce of the United States, was adopted, as were the principles of Federal regulation of intrastate rates affecting interstate commerce, and Federal regulation of capital expenditures and securities.

The anti-strike clause of the Cummins bill was defeated, and the Esch plan for settling labor disputes was adopted, with the addition of some features which perhaps strengthen it. The boards for handling labor questions are similar to those now operating in the United States Railroad Administration, and a labor difficulty must be referred to one of the boards before a strike can be declared.

For six months after the return of the railroads to corporate operation the government rental is guaranteed, and during that time no state commission may change any intrastate rates which have been fixed by the Railroad Administration.

A revolving fund of \$300,000,000 is created to provide loans to railroad companies for extensions, betterments and improvements.

Fighting the Famine with Drafts

They are orders, sold in banks all over the country, that can be exchanged for food at warehouses in European centers where the lean wolf is threatening

By JOHN M. OSKISON

SLOW economic recovery, depreciation of securities and shortage of export commodity production, due to lack of raw material, put Europe in a sorry plight to face the winter of 1919-1920. Mr. Herbert Hoover, Chairman of the American Relief Administration European Children's Fund, saw that the only hope of large sections passing the winter without lapsing into sheer anarchy lay in their obtaining food supplies on some basis of support from America.

That is the reason for orders on warehouses, known as Food Drafts, which have been and are being now sold by 20,000 or more banks of the American Bankers' Association and through the banks of America to those in this country who want to supply food to friends and relatives in Poland, Czecho-Slovakia, Austria, Hungary and Germany.

What is a Food Draft? Let Mr. Hoover describe it:

"Anyone may buy over the counter of the banks an order for flour and some other varieties of food. This order will be honored by the delivery of the goods to any holder from the warehouse." These drafts are issued in denominations of \$10 or \$50 for specific quantities of food, precisely indicated on the face of the draft. They may also be used for purposes of general relief by agents of the American Relief Administration or American Red Cross. Warehouses have been established at different points in Central Europe. "If we succeed in replacing the cash remittance traffic, we should be providing perhaps \$5,000,000 or \$8,000,000 a month of food. If it succeeds, as it should, it will to some extent relieve the pressure on the food supplies necessary to provide otherwise. . . . Instead of appealing to the three million families in this country who have relatives in central and eastern Europe, to send them cash or to subscribe to charities we propose to appeal to them to transmit actual food to their relatives."

Immediate and Desperate Need

THE American Bankers' Association immediately and cordially endorsed this practical method of financing the immediate and desperate needs of a considerable part of the population in Central Europe. The Treasury Department and the State Department of our own government as well as the Federal Reserve Board are likewise supporting the plan. Each of the governments of Central Europe in which the warehouses are being operated have also endorsed and are backing in very practical ways their operations. In Warsaw, Prague, Vienna, Budapest and Hamburg, are American Relief Administration warehouses, stocked with staple food-stuffs.

The image shows three overlapping food draft forms. The top form is a 'FOOD DRAFT STUB OF ISSUING BANK' with fields for 'To Order of', 'Address', and 'Amount'. The middle form is a 'FOOD DRAFT RECEIPT FOR PURCHASER' with fields for 'To Order of', 'Address', and 'Amount'. The bottom form is the 'ORIGINAL FOOD DRAFT' for \$10, listing food items: 24 1/2 pounds of flour, 10 pounds of beans, 8 pounds of bacon, and 8 cans of condensed milk. It also includes a table for 'The Cost of' various food items.

What a food draft looks like

In his testimony before the Ways and Means Committee, Mr. Hoover discussed the disadvantages of cash remittances as follows:

"There is a very large amount of money being remitted monthly as cash to Central and Eastern Europe. That flow of money is very large in peace times, for there are about three million families in the United States with relatives in Europe. It is larger today than ever because of the damming back of that money during the war, and because of the large number of appeals coming from relatives out of that part of Europe to the people in our country. It is of no real benefit to residents of Central Europe to receive cash. No Pole in this country, for instance, can accomplish anything for the relief of his relatives abroad by remitting money to Poland. Because of the shortage, the food is all rationed and money does not buy more rations. The Pole may have all the money on earth over there and he cannot add materially to his food. This applies to practically all the countries in central and eastern Europe, including Germany. The remittance of money for relief purposes is thus the height of folly. . . .

One point bearing on this matter is that there is a great amount of fraud going on in the United States at this time in this sort of traffic. Cash remittances into parts of Europe where the ignorant foreigner in this country has no idea as to the proper exchange rates, are being sold by others than the banks at too high rates. There are also a number of concerns selling packages of food and clothing here and undertaking, with very poor results, to deliver them in Europe. An example of this was a package of that character which contains about \$7 worth of food, and \$25 was charged for it.

"This measure has the support of the Treasury and the Federal Reserve Board,

and the State Departments, and it is backed by the agreement of each of the governments of Central Europe that these food supplies will not be subjected to the rationing system.

"We are charging such prices as will show a small profit, and that profit goes to the European Children's Fund. We have thought it necessary to put it on the basis of a margin of profit, because otherwise, due to the rise and fall of prices of commodities and the time required for transmission of food drafts, we might get into difficulties. The arrangement is being financed by the European Children's Fund, and it can not stand shocks of that kind. We hope to earn a profit for the children."

The response in this country on the part of the banks, and of the people who buy the drafts, has already been sufficient to make it certain that the volume of operations will be great. The first

two days, following the receipt of notice by the banks that blank drafts were ready for forwarding, brought requests from about 1500, and the first day's actual sale of drafts within a limited territory amounted to approximately \$30,000.

What Can Be Bought

ON the food drafts appear detailed descriptions of the commodities delivered from the warehouses. There are four different packages described:

a. The ordinary package costing the buyer in this country \$10, which consists of 24 1/2 pounds of flour, 10 pounds of beans, 8 pounds of bacon, 8 cans of condensed milk.

b. The ordinary package sold for \$50, which is made up of 140 pounds of flour, 50 pounds of beans, 12 pounds of corned-beef, 48 cans of milk, 16 pounds of bacon and 15 pounds of lard.

c. The \$10 kosher package for delivery to Jews which substitutes for the 8 pounds of bacon 7 1/2 pounds of cottonseed oil and adds four cans of milk.

d. The \$50 kosher package which substitutes 45 pounds of cottonseed oil for the bacon, lard and corned beef.

The right is reserved, in case of emergency, to substitute commodities of equal food value.

To prevent possible profiteering in these warehouse supplies in Central Europe, Mr. Hoover's organization has made it a condition that food will be delivered only to the person named on the face of the draft which is mailed by the buyer in this country, or to a properly authorized agent. While it is certain that the foreign governments will co-operate in every way to secure distribution within their limits of food from the central warehouses, it is made clear to the purchaser of the food draft that delivery is not guaranteed beyond the warehouse door.

Shoes That Pinch the Purse

Prices in footwear soar serenely heavenward and the end is not yet; you may be interested to know your responsibility in the affair as well as when the descent should be expected

By J. WAINWRIGHT EVANS

POSSIBLY the most fantastic thing yet accomplished by the Demon of High Prices in his comings and goings up and down the earth has been to make fine shoe leather literally worth its weight in silver.

Twelve ounces of silver, a Troy pound, is at this writing worth \$12.60. Twelve ounces of fine kidskin is worth \$13.50. And if you insist on having it colored, it will cost you \$3 more. And other leather costs as much in its degree.

From all that to Shoes—How, Why, and What they Cost and Are Going to Cost As Soon as They Can Get Around to It, is hardly a step. Hardly a step! But how it does tread on one's corns!—I know intimately a small boy of ten whose shoes cost, if one buys economically, from five to seven dollars. He eats 'em at the rate of a pair a month. I have no doubt that if one dared speed him up a bit by feeding him beef, iron and wine he'd shorten the time to three weeks.

It was with the thought of that pair a month in mind that I went, not without a certain inward truculence, to a shoe man in Fifth Avenue. I found him where he stood watching his corps of clerks fitting shoes worth thirteen to forty dollars to the feet of fur-coated persons whose automobiles were waiting outside. Presently they would enter those cars and say "Home James!" For them there was nothing to it. As for the shoe man, I can't say he looked unhappy.

"The newspapers," said I, "and the magazines and most everyone else say you shoe men are profiteering." I didn't think it wise to add that I was inclined to agree with them.

Certainly They Cost More!

"I DON'T blame them for saying it," he answered. "They have to pay for the shoes. I may add that I have to pay for my groceries and my wool suit, and I have to pay my clerks enough so that they can do the same; and tanner and the shoe manufacturer have to do it too—but these, I realize, are mere trifles. The point is that shoes have gone up and will go up, and someone's got to be the goat. However, I admit that shoes out-Herod Herod,—if that will make you feel any better.

"The reason is that the shoe industry is in the grip of world conditions. Why expect shoe men to stop the tide? Why ask us to play King Canute? You ask who is to blame. I say Nobody, unless it be that remorseless twin, Supply and Demand, working hand in

hand with a world shortage in leather and labor. If you want to come at the truth about shoes, I advise you to work from that hypothesis. Do I look like a profiteer?

"No," I acknowledged, "but a lot of your customers do."

"They spend like profiteers," he answered. "That's a big part of the trouble. They are the Demand half of our vicious Twin. They insist not merely on the best, but the fancy. And not only does that help put prices up, but lots of them really can't afford it. Don't think I benefit in the long run by these conditions. Do you see that portly lady over there whose foot is a perfect seven, but who insists on a six? She used to buy two pair in the days when she could get them for twelve dollars a pair. Now she'll buy one pair for twenty dollars. You may be sure that anything I, or any other sane retailer can do to pull prices down is going to be done."

"But you say they will go up!"

"Yes—probably 20 per cent by March, and possibly 30. I'm sorry to say it; but it's so."

"And after that?"

"Nobody knows. I think this Spring will be the peak, and that a slow decline in shoe prices will then begin. But there is one thing which may kick over the milk. If European exchange should equalize itself the bars will be down. They need shoes in Europe—more shoes than we can possibly supply. The only thing that has held down the demand has been their adverse exchange. What will happen when they once get in a position to buy, I don't know. You may be sure that we shall then find out what high prices mean, unless some method of control can be devised. But as for this talk of a 50 per cent rise now—that's poppy-cock. Some persons like to talk big. I buy shoes; and I positively know that there is no basis for such a prediction. I think 20 per cent or thereabouts will be the figure."

On the basis of these and of other facts that came out in that interview and in talks I had with other shoe men, I gleaned some facts, which, so far as I can discover, have escaped the notice of many persons who have joined in the general accusation that the shoe-men are wholly responsible for the high prices of shoes. There is good reason to think that some of them have boosted prices when they could; and unquestionably much harm has been done by some leather men who have taken advantage of conditions to make them worse. But the basic facts of a world situation like this can't

be controverted or ignored; and those facts, it would seem, are abundantly able to account for the bulk of this phenomenon of shoe prices.

The first thing to understand about the Law of Supply and Demand wherever one encounters it in operation is that, like all economics, it reduces to human psychology. People want certain things and don't want others. And individually they tend to satisfy their wants regardless of results or of ultimate consequences, particularly when such results and consequences happen to be obscure or distant. Of course if everyone would turn economical and go to work, and produce as much as possible and consume as little as possible, and avoid luxuries, we'd all be happy and we'd all have enough. It's very simple. It comes near to being the last word in economics. But unfortunately we don't do it, and we haven't yet got educated to the point where we are capable of that sort of voluntary team work.

Human Nature Makes It Worse

AND not only does the consumer have his psychology, but the producer has his. And the producer and consumer react on each other in many strange ways. Take for instance the demand for high priced shoes. A Boston shoe man recently tried the experiment of placing twenty pair of shoes in his window marked at \$14 a pair. In the window of a store across the street he placed a like number marked at \$9. The stores had a similar clientele, and the displays were identical. But the \$14 shoes were gone before more than a few pair of the \$9 shoes had been sold.

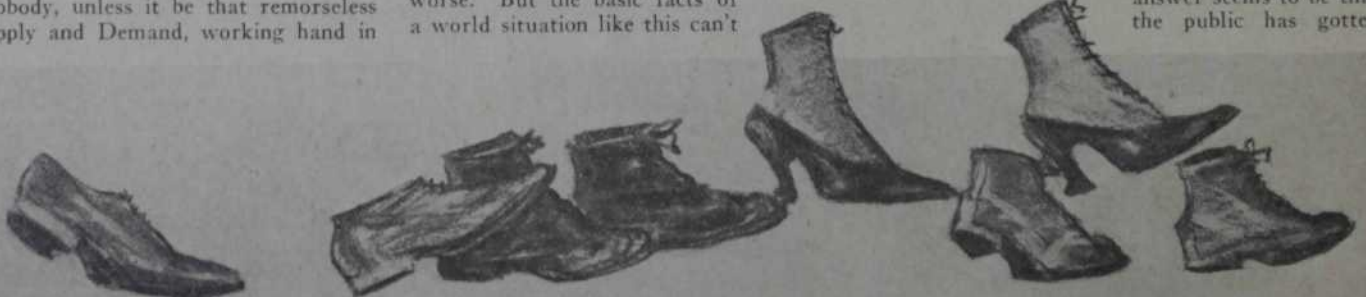
Here is another. It happened thirteen years ago, and therefore has nothing to do with our present fit of prodigality. A manufacturer of my acquaintance sold a lot of shoes to a retailer in Chattanooga. The wholesale price was 80 cents. The shoes were to retail for a dollar. They were good shoes. But before long the retailer complained that he couldn't sell them, and asked the manufacturer to take them back.

"I'll do it," said the manufacturer; "but first do me a favor. Mark those shoes up to \$1.50."

The retailer did; and the public, pathetically eager for "the best," bought.

"I can't help it," says the shoe man.

But—who killed Cock Robin? The answer seems to be that the public has gotten



stung in the past, and doesn't want to get stung again. People believe that all low or medium priced shoes are worthless. They have good reason to believe it. To that extent shoe men are responsible for their present inability to sell shoes without marking them up. So much for one small angle of the psychology of shoe buying and shoe selling. Now let's see if the same key won't fit in another place.

Mrs. Jones wants a shoe of "white buck." She goes from store to store demanding it. She goes to a half dozen places before she finds it; or maybe she doesn't find it. But the mischief is done. Mrs. Jones has multiplied herself by six or seven, and has gone forth as *Demand for white buck*. A few more cases of Mrs. Jones make it look as if the whole community wanted white buck and nothing but white buck. And the dealers presently begin falling over each other to get white buck. The demand was fictitious; they responded to it without investigation, intent on keeping up each with his competitors.

That kind of thing is operative all the time. It results in an apparent multiplication of the call for exclusive and fancy goods that a few foolish persons are intent on getting and persistent in their search for; while the fact may be that the vast majority are quietly accepting medium priced, substantial shoes whenever they can find them.

But there is one side of the psychology of shoes which is a great deal more serious than any of these smaller contributing causes, and that is the psychology of the shoe trade itself. That psychology, always active in any competitive trade, ran wild last summer and fall. And something very like a buying stampede resulted. Such cooperation within the trade as the situation needed is something a trade has to grow to. The shoe trade wasn't ready.

July Brought Confusion

LAST July confusion came into the leather and shoe industry. There were a large number of buyers in the market, and they were an unorganized mob. They wanted to buy samples for spring, but since manufacturers could not estimate costs correctly that far ahead, intelligent buying became impossible. The only recourse was to buy at any price and trust to an era of high prices to bull the market later. It was every man for himself, with the Devil nipping the heels of the hindmost.

A statement issued by the National Boot and Shoe Manufacturers urged everyone to be good, and to sit tight, and help hold down the lid. It is not certain that everyone wanted to be good. But the undeniable conditions were these: an advance in raw stock prices, and manufacturing costs, together with a tremendous pressure for more and more shoes.

Then old man Adam got on the job—some call him human nature. It was a scramble. Visiting buyers thought only of placing their orders. On that they could take no chances.

And they placed them—regardless of everything—at almost any price a manufacturer might demand; and the manufacturer was not slow to respond to the opportunity.

But let's not damn the manufacturer. He had his troubles. In some cases he had lost money during the war rather than reduce the quality of his shoes to make a profit possible on the prices set by the War Trade Board. In any event he was confronted by labor uncertainties, and by a market of whose condition and future no man could make head or tail. His factory was running at 50 per cent of its full capacity. Every fresh problem that confronted him was a threat. Maybe he ought to have taken a chance; but he didn't. He played safe. He just naturally played as safe as he could. Perhaps he overdid it a bit. I hold no brief for him. I merely point out that sweeping indictments in these matters are quite as wrong as a complete coat of white-wash. "If every man got his deserts," quoth Hamlet, "who would escape whipping?"

They All Played Safe

SO the manufacturers sold at their safe price, and the buyers bought at their own risk—and bought heavily, rather than chance half filled shelves; and naturally those retailers were a complete unit on selling at a safe figure those goods for which their buying stampede has forced them to pay such outrageous prices. They wanted to play safe too!

That rush of buyers continued. By September the mischief was complete. It was a mess. Prices were a region of perpetual snow. Trading departed from every precedent and custom. Without rhyme or reason and largely by guess and speculation, one man bought advantageously and the other not.

Charges of profiteering became more than audible; and variety of prices on the same grade of footwear in the stores of the same city did not serve to quiet it. It looked like funny work somewhere.

The net result, therefore, is well and adequately expressed in the unctuous words of a recent review in a shoe publication: "It was the most prosperous year in the history of the shoe trade." The public will, of course, be glad to know that someone has benefited by this sojourn of the shoe trade in Bedlam.

But again, it is hard to say that anyone in particular is to blame—unless you put it on the whole shoe trade. We are simply paying the price for one more manifestation of mob psychology.

So much for the facts which stand in the foreground as an aftermath of war. Now let's go back a little and find the fundamental conditions that have made this bad matter worse. Twenty years ago there was plenty of leather. The cattle census showed one animal for each person in the United States. Hemlock bark for tanning was abundant. Today we have half an animal per capita; there isn't enough hemlock bark; and we have to import about half our hides and skins at

high prices. Also the cost of labor and of every known material used in the preparation of leather has gone up.

Now it has been pointed out many times that the tanning industry is peculiar in one respect: it is founded on a by-product that is uninfluenced by the law of Supply and Demand. That is, we slaughter cattle for the meat, not primarily for the hide; and the number of cattle slaughtered depends on the call for beef—not on the call for leather. But we don't use enough beef to produce all the leather we need. In fact, we use less beef per capita than we did two decades ago, and, at the same time, use much more leather. Eggs, fish, and poultry now make a substantial part of our diet because of the development of cold storage, and also because there is probably a larger proportion of sedentary occupation. Your indoors man isn't a beef eater. On the other hand, we use more and more leather for automobile seats, and many other purposes of our complicated modern life from handbags to leather belting.

All of which means that leather, growing scarcer and constantly dearer was taking the hill on high long before the war came along and began to shove. No wonder that the rise in shoe prices resulting from that double stimulus has shocked us.

If there is any one corrective that the shoe and leather industry needs today more than another, therefore, it is raw material. Normally we import 50 per cent of our cattle hides, 65 per cent of our calf skins, and 98 per cent of our goat skins. These we made before the war into about 225 million pairs of shoes, of which we exported only 10 million. In 1920 we are going to need for our own use 325 million pairs. But Europe wants all the shoes we can make, for her own shoemaking industry has been disrupted. She wants shoes, but she wants to keep all the raw material as well, for she needs that, too.

And There Was Lower Production

ADD to that the fact that labor difficulties have caused our factories to run at about half productive power, and you have a pretty good notion of the *impasse* we face for the year 1920.

Exportation of shoes now means trouble for the great American pocketbook later. And yet the British are ordering in spite of their depressed exchange rate; and countries whose exchange is still worse, such as Italy and France, are ordering. One manufacturer has told me of recently closing a contract for 200,000 pairs annually of his very high class shoe. The price, F. O. B. New York is fifty cents a pair higher than he can get here. And he is selling those shoes in Italy, where the merchant has to pay \$2.38 in lire for every dollar's worth of American goods he buys. He told me he would be able to close as many such contracts as he will; and that he is presently going over to an industrial fair in France to exhibit his shoes there. "As for orders," he concluded, "there's nothing to it. They are simply beating



a path to my door. And if you'll look for the notices of shoe exportations you'll find that American shoes are already going abroad in great quantities. We exported 2¼ million pairs in October. More than that we are exporting leather. If Europe offers a given price for an article, America need not expect to get it for less."

It is the war. We pay. Also, our leather is out of alignment with world trade. We pay again.

We are exporting both shoes and leather. And yet if our imports of leather should be stopped, a complete embargo on the exportation of shoes would not save the shoe industry in this country from dissolution.

Shoes Have a Lighter Side

SO much for the serious side of shoes. But shoes have a lighter side—one that pulls at the heartstrings instead of the purse-strings. Men have worn foot covering as far back as the records go. The moundbuilders left behind them sandals made of corn-husks and grasses. Nomads wear sandals made from the bark of trees. The Egyptians made theirs of papyrus and with leather. We have some specimens of their work in the British Museum; and a painting on a wall at Thebes shows shoe makers at work around 1500 B. C., in the reign of Thothmes III. The ancient Greeks wore shoes of iron or brass, as well as their regulation sandal. The Romans developed the boot.

We all know what the French did to heels; and history has much to say of the *poulaine*, with toes so long that they had to be attached by a chain to the knee. A nobleman could thus sport a twelve-inch toe, while persons of lesser rank had to be content with points progressively shorter. Long toes apparently caused as much excitement in those days as long prices in this; for in 1463 the British Parliament forbade the making of shoes with points more than 2 inches long. Anyone wearing such shoes would be excommunicated. Probably a precursor of the square-toes of the Puritan. And so the history of shoes jogs along, and mighty pleasant reading it makes, down to the pretty woman of today who has satin covered shoes made to match her

evening gown—and the shorter the vamp the better.

Shoes have their tradition of song, and story. We all know Cinderella, but few have heard of Rhodope, the Egyptian maiden who had the most beautiful foot to be found along the Nile. One day when she was at her bath a discriminating eagle flew down and carried off her sandal, which he dropped, by way of a suggestion, at the feet of the King. Of course the King put his heralds right on the job, took a hand in the search himself, found his Cinderella, and made her Queen of Egypt.

Our boys in France must have seen the many shrines and memorials around Soissons dedicated to St. Crispin, patron saint of shoemakers. The story goes that St. Crispin and his brother Crispianus were Romans, who, about the year 303 were converted to Christianity. Together they went north into France, spreading the Gospel. They supported themselves by making shoes which they sold to the natives at a very low price. Presumably they undersold all competitors. At any rate, possibly with the encouragement and connivance of the local Chamber of Commerce, they were finally put out of the way by the ungrateful proletariat.

Then there is the rich symbolism of the shoe: "The latchet of whose shoe I am not worthy to unloose"—"Over Edom will I cast out my shoe"—the Bible is full of it.

In England contracts were once made binding by an exchange of old shoes. The throwing of shoes after the bride according to one interpretation means Good Luck; and according to another, the transfer of parental authority to the husband. Hitting the bride over the head with the shoe is said to have been a part of the original custom. The Irish fairies, as all the world knows, make tiny brogues. Mercury had winged sandals; the giant had seven-league boots; the old woman lived in a shoe and bought 'em for the kids as well.

As for the craft of the shoemaker, it has long been esteemed as honorable and important. In colonial days in this country the shop of the local shoe maker was a forum for

village gossip and debate, like a cross roads grocery. Henry Wilson, a New England cobbler, mastered debating in his shop, and finally became a vice-president of the United States. The musical shoe-makers of Salem used to make music while they worked; and every summer they shut up shop and went traveling with a circus.

Then came the sewing machine; then the sole stitching machine; the laster, and all the rest of them—and the musical shoe makers and their kind passed out. But the sole stitcher kept the Union soldiers in shoes, and helped win the Civil War. It is said that when Peter Neal told President Lincoln of McKay's machine that would sew 'round a sole in 30 seconds, Lincoln said, "Friend Neal, go home and buy real estate. The day of the little country shops is coming to an end." And it was so.

But to come back for a moment to the shoe men I've lately met. I recalled to one of them the story of St. Crispin; and then hinted that the shoe men of today have departed widely, in this not unimportant matter of price, from the example of their patron saint.

"Yes," he said, "and look what happened to him. He got driven out of business. Besides you didn't tell the whole story."

"What's the rest of it?" I asked.

"The legend also says," he answered slyly, "that the angels furnished the good man with leather."

British Iron Combines

TWO of the most important English iron and steel firms have fused interests. Guest, Keen & Nettlefolds have acquired controlling interest in John Lysaght, Ltd. Lysaght's interests are well known in both iron, steel and coal. Nettlefolds was the firm with which Joseph Chamberlain was originally associated. Guest, Keen and Nettlefolds is a combination of this original company with several others. Last September Lysaght's passed into the hands of H. Seymour Berry, D. R. Llewellyn and Viscountess Rhonda for about three million capital and ten million in ordinary shares.

A World Standard for Labor

Can a league of nations formulate blanket rulings that will be fair alike to the Norwegian and the Spaniard? In spite of the difficulties much can be accomplished

By DWIGHT T. FARNHAM

Vice-President, Society of Industrial Engineers

THE necessity of equalizing competitive labor conditions the world over was much in evidence at the recent International Labor Conference. All the members seemed agreed that the League of Nations could advance a sound economic internationalism. Admitting the truth of this, it is still profitable to examine certain conditioning factors inherent in the situation. They consist chiefly of the folk customs or *mores* of the different races to be considered and the influence of climate upon industry.

If the League of Nations can avoid abrupt interference with these racial *mores* and avoid steps that would upset the economic balance between different countries and be-

tween different sections of the same country—if it begins by reforming, insofar as possible, non-controversial conditions and precedes any attempt to change matters affecting the pocket-book by education and salesmanship, there seems little question but what international rules regarding labor may be made internationally applicable.

To become specific—an attempt to forbid the consumption of wine and beer during working hours into the industrial life of Italy or France, without considerable preliminary education and preparation, would be impossible. Not only would it require the alteration of folkways developed for countless

generations but the maintenance of the public health would demand the provision of an adequate supply of pure drinking water. It has required three hundred years of civilization in America to provide even the majority of American towns with water which can be freely drunk without fear of typhoid. What would be the effect if an attempt were made to enforce the use of water, as a beverage, in countries where even bathing in it has been considered a religious rite or an ordeal to be undertaken only at the command of a physician?

To turn to an historical parallel, about 1750 Joseph II, Emperor of the Holy Roman

Empire and of the Kingdoms of Germany, possessing absolute authority over his subjects, endeavored to modernize his kingdoms which were suffering from the persistence of old institutions and *mores*. He attempted to establish freedom of worship, to make marriage a civil contract, to abolish class privilege, to make taxation uniform, abolish serfdom, make German the universal language and to make effective certain laws of sanitation.

In the end he was forced to revoke all his changes and innovations except the abolition of serfdom and those affecting religious toleration. Nearly all of Joseph II's reforms have since been recognized as wise and salutary measures, and most of them are in effect—but he nearly lost his throne by trying to legislate out of existence long established customs without providing a century or two of preliminary preparation and propaganda.

The Past Rules the Hindu

MONIER WILLIAMS describes the Hindu as one who sleeps and wakes, dresses and undresses, sits down and stands up, goes out and comes in, eats and drinks, speaks and is silent, acts and refrains from acting, according to ancient rule. What would be the effect, upon such a gentleman, of a daylight saving law, or of Lord Leverhulme's idea of continuous operation in order to wear out machines instead of men? Attempts to "civilize" the Marquesan and the American Indian have resulted in his practical extermination.

Climate is also a great enemy to standardization. Several hours relaxation in the middle of the day is necessary under the tropics. A siesta in Norway would result in the waste of most of the daylight hours during at least half the year. The amount of work it is possible to do per hour is directly affected by the climate. This governs the output of effort not only directly, by affecting the amount of work it is possible to do at a given time under existing conditions of temperature, humidity, altitude and freedom from pests, such as mosquitoes and the like, but also indirectly—since the work an individual can do depends upon how long he—and his forebears—have been exposed to the conditions which exist.

A bricklayer in Mexico will, by rolling a cigarette almost between the laying of each brick, manage to make the placing of less than fifty dobies in the wall stand for a day's work. A friend of mine unloaded half the stone on a flat car while six Mexicans un-

loaded the other half.

In the northern part of the United States men on piece work will do from ten to twenty percent more work than in the central part of the country. Negroes will usually do at least ten per cent less work than Southern Europeans when working in the Temperate Zone. The head of a large public service corporation with branches throughout the country stated that even their highest class of executives suffered a let down in the quantity and quality of their work when they left northern climatic conditions. I understood more easily why Southerners are better talkers and Northerners better readers, after spending a few weeks in the South and being driven to cover whenever I unmasked a light after sundown.

As an employer and as an engineer I have come in contact with labor of a great many sorts. At various times I have had to deal with citizens of the United States varying from high class professional men, executives and salesmen to "crackers" whose chief interest was the consumption of snuff and the hunting of "seng"—as well as with English, Irish, Welsh, Scotch, Germans, Belgians, Austrians, French, Italians, both Northern and Southern, Holland Dutch, Scandinavians, Russians, Roumanians, Slavs of various sorts, Greeks, Armenians and Turks, Mexicans, North American Indians, Japanese and various sorts of Negroes.

It having fallen to my lot to induce these men to work at various trades, and under varying climatic and industrial conditions, both physical and mental, it has been possible to observe their reaction to various stimuli both in the factory and in the home.

While, as might be expected, individuals in each class react quite differently from an industrial standpoint, all have certain common characteristics. To my mind the most marked—as well as the most encouraging—is the responsiveness to the doctrine of the fair deal, once you can convince them that you are sincere. Most working men have, at some time in their career, so suffered from unfair treatment—petty tyranny, petty graft on the part of insufficiently supervised and improperly educated foremen, arbitrary wage cuts and discharge—that they welcome an honest attempt at fair treatment from an executive, with a receptiveness which is pathetic.

On the other hand, William Hodge spoke a great truth when he said "There are just as many kinds of people in Peoria, as there are in Peking." But general laws based upon the fundamentals of human nature which workmen of most races have in com-

mon, are just as sure to succeed throughout the world as general laws which conform with the *mores* of one people are sure to fail, when an attempt is made to force them upon people with whose inherited customs they do not coincide.

In addition consideration must be given to certain economic features, upon which the prosperity of certain peoples depend. The International Labor Conference, meeting under the provisions of the League of Nations in Washington recently, agreed upon the eight-hour day as the standard for countries organized under the modern industrial system. The ten-hour day was for the present approved for Japan and in certain other sections designated as "backward countries."

There was no attempt to force the eight-hour day upon the seasonal industries—such as farming, fruit growing and the like. It was realized that insistence by law upon an immediate and universal eight-hour day could only result in extermination of certain people who lack the machinery, the skill and the natural conditions which make production, sufficient to sustain life, possible in one third of each twenty-four hours.

Exceptions to the Rules

PROVISION was made for the employment of younger children in Japan, India and in certain other countries than in America and England. Night work for children was prohibited except in Japan, India and in tropical countries. The condemnation of the employment of women in industries deleterious to child birth was universal, as was the advocacy of free public employment agencies under the control of a central authority.

In order to meet competition certain factories in America have been moved to sections of the country where living conditions are cheap and food plentiful. The same thing has taken place in the case of certain English industries which have been transferred to India where the people are not forced to incur the expense of providing themselves with coal, woolen underclothes and mackintoshes in order to endure the climate. Such industries bring cash into the districts where they exist.

Laws which would force rates of pay in such districts up to the level of those necessary where conditions differ would result in the death of the industries and the termination of the flow of cash into the pockets of the people. Last year men earning four dollars a day in St. Louis went to Detroit in order to earn six and seven dollars. Within sixty days they were back, saying they were better off here where rents were lower, houses more plentiful and food and clothing cheaper.

The economic situation must be given careful consideration in each country before general labor laws are passed if great injustice is to be avoided.



When Texas Went Oil Mad

On the heels of sudden wealth came the usual pack of wild-cat schemes that snapped up unwary dollars; however, the boom has other by-products than paupers and millionaires

By CHESTER T. CROWELL

Assistant Manager West Texas Chamber of Commerce

EXPERIENCED oil men say that no two booms are alike. They will tell you what happened in Pennsylvania, in Indiana, in Kentucky or in Mexico but when you mention Texas the big company man is likely to scratch his head and growl: "Well, those people just simply went crazy."

The Texas development has not been an unalloyed joy to the big company men. The principal reason for this is that everyone—so the big company men say—went into the oil business. When a well was brought in and the representative of the big company went to the owner of a ranch five miles away to get a lease on that land he found the ranchman not at home. The ranchman was calling on his neighbor three miles away getting a lease on that land. Lawyers and doctors closed up their offices and went after leases. Barbers deserted their chairs. Even telephone girls resigned and went into the oil business.

The big company man's idea of normal development of an oil field is for everyone within twenty miles of the new well to rush to him with an offer of the lease on his land and an earnest appeal for early drilling. That is exactly what did not happen in Texas. Everyone was busy forming a company of his own and the big companies found themselves engaged in a sort of mad scramble for leases with the result that all lease prices reached unprecedented figures and "wild cat" leases were traded in at prices which gave the big company men a headache to contemplate. Fifty cents to a dollar an acre is a conservative man's idea of the proper gamble on wild cat territory. Millions of acres of land classed as "wild cat" have been leased in this country at ten cents to twenty-five cents an acre. In Texas it brings from \$2.50 to \$20 an acre today with the nearest production sixty miles away and the nearest drilling well perhaps twenty miles away and not down far enough to indicate anything either good or bad.

They Knew the Need for Oil

ONE reason for this spirited speculation was that everyone had been educated by gasolineless Sundays into an understanding of the world's dire need for petroleum. Another was that the speculative spirit was abroad in the world. Another was that money seemed plentiful.

Not long after the discovery well at Ranger came in I visited the field. Among the scores of speculators and investors I met was an elderly gentleman born in Alsace who had been dabbling in geology all his life. He had been trying to interest people in oil development in Central West Texas for ten years with no success. He told me that Stephens county which is North of Eastland county looked good to him and he had some leases up there at a wide place in the road called Caddo. He would let me have 225 acres at 25 cents an acre. He needed money to renew some of his other leases.

He had been on the ground when leases

The Big Chief of the Booms

TROUBLE in the Tampico fields, seven million hungry American automobiles and—they strike oil in Texas! Is it any wonder that the state in question and a large percentage of the country outside went temporarily oil crazy? There have been oil booms and oil booms—but circumstances intrigued to make the Texas article the wildest and most dramatic that the country has so far experienced. Its peculiar characteristics are brought out by Mr. Crowell who had every opportunity to observe them, both from the inside and out. Also there are diverse manifestations of all-too-human nature to enliven and enrich his narrative.—THE EDITOR.

had almost no value at all and the farmers regarded him as a good joke. They took his money for their leases and winked at each other. We started out for Stephens county. There was no railroad. The roads were a bog. The country was hilly and the roads followed the valleys. The weather was bitter cold and the landscape as bleak a picture as one could imagine.

I speculated on how any living humans would ever get derrick timbers, boilers and casing into that country. I also wondered how they would get oil out even if they ever found it. Finally the automobile broke down. I was sorry I had ever met this enthusiastic geologist. I told him I was not interested and returned.

Today Caddo is an oil field. All those acres have been leased at \$1,000 an acre or more. The railroad companies seemed backward about building a railroad so the people of Stephens county raised the money to build their own railroad. It is now under construction. They brought the first derrick timbers and boilers and casing into that field on trucks paying \$20 a ton for the twenty mile haul from the nearest railroad.

The discovery well which precipitated the boom in the Central West Texas field was brought in at Ranger in Eastland county in October 1917. Within a short time the surrounding hills were a forest of derricks and eight pipe lines were under construction.

The following summer a deep well at Burkburnett in Wichita county brought a flow of upwards of 1,000 barrels daily of high gravity oil. Burkburnett had just been subdivided into a township and the lots sold. Nearly every lot became the basis of an oil company. Derricks were so thick that experienced oil men still wonder what miracle or good fortune prevented the whole outfit

from catching fire every day in the week.

In September of 1918 the pool at Desdemona on the southern line of Eastland county was brought in. The tremendous growth which the towns nearest these three pools enjoyed began to interest business men and land owners of other communities.

Instead of going to the big companies with offers of leases on large blocks of land in return for the drilling of a test well, however, these merchants and land owners would form a company of their own, employ a driller and proceed to put down a well.

Into each field came the typical hawks who follow booms. They organized companies with no other purpose than to make the profit allowed under the law for promotion. Warnings were sent out by government officials and chambers of commerce to beware of such stocks. Then one of the little companies formed by a group of land owners and business men would bring in a well and the stock would be worth twenty or fifty dollars for every dollar invested. Needless to say the public refused to be warned under such circumstances and nearly every company formed succeeded in selling its stock. The officials would put down a well, if for no other reason, simply to keep out of the penitentiary. Usually they drilled wild cat territory because it was cheap.

As an example of how difficult it was to decide anything definite about stock, the story of the wholesale grocer and his debtor comes to mind. This debtor had a little store by the wayside. Crops were bad in 1917 and he had not made collections. The wholesaler was writing him rather pointed letters. The retailer began to feel the prick of conscience because he had invested one hundred dollars in a little company that was drilling a wild cat well Northwest of Burkburnett.

A Debtor's Conscience

FINALLY he wrote a letter to the wholesaler admitting that he had made this investment, confessing that his conscience hurt and offering the stock which he said he thought should be accepted at par. The wholesaler wrote back a letter which should have been on asbestos paper. He said that his opinion of the ultimate in insanity was for a man to offer to pay a debt for groceries with stock in a wild cat oil well. Also he returned the stock and gave notice that there must be a substantial remittance in thirty days or a receivership.

Two days after the retailer received this letter the new Northwest extension of the Burkburnett field was causing a boom which reverberated all over the country. It made the retailer rich. Nine times out of ten the wholesaler would have been right but—this was the tenth case. Needless to say, there was no receivership. Slight wonder that warnings failed to prevent people from buying stock when stories like this were going the rounds day and night.

The big companies have usually let wild

cat territory alone because they have found that the percentage is against them when they go exploring. But federal taxes were heavy and the government had allowed them an offset for money expended in drilling dry holes. They decided that if they were going to have even a respectable place in the development in West Texas they would have to plunge into wild cat territory.

So enthusiastic were they that The Texas Company, as an example, drilled a test well nearly 5,000 feet deep in Young county in wild cat territory and to the astonishment of all concerned brought in a well. It is one of the deepest in the world. Four thousand feet is considered a very deep test. Many do not go below 3,000 feet. Western Texas was soon swarming with geologists—and still is. The dry, ranch country has been examined by trained experts as no similar country has been since the world was young. Literally millions of acres have been examined foot by foot by these keen-eyed men employed by all sorts of companies big and little, honest and otherwise.

But many wells have been located simply by guess. The driller would tell the dry goods merchant who was president of the company that "this looks something like the ground around Drumright, Oklahoma," and the president of the company would reply: "Fine, put the derrick right here."

Probably three thousand oil wells are being drilled or have been drilled today in Western Texas. The boom has extended clear on over into New Mexico. The infection spread over into East Texas for no reason in the world that anyone but a psychologist could explain and a thousand or more wells are being drilled in that part of the state. Thence it spread to Southwest Texas and several thousands of wells are being drilled there with the result that oil has been struck in paying quantities at several points close to San Antonio and due south in Duval county.

A great center of exploration is in Webb county of which Laredo is the county seat. Coal and natural gas have been produced near there for several years and they are good indications of oil.

New Life for Old Booms

AROUND Houston petroleum has been produced for twenty years, but new interest in development has resulted from the other booms. Oil in enormous quantities is being found at West Columbia, Goose Creek, Sour Lake, Blue Ridge and now it is reported that a new oil sand has been found at Spindle Top near Beaumont which was the sensation of the petroleum industry just twenty years ago.

It would be extremely difficult to estimate the amount of money being invested in oil exploration in Texas today. Certainly half a billion dollars would be conservative. In Central West Texas a well costs from \$30,000 to \$100,000, but there are wells like the Texas Company's 5,000-foot test which cost nearly \$250,000. Recently the boom has extended over into Louisiana with the result that the great Homer field has been brought in.

But all these wells cannot find oil. By far the majority of the wild cat tests must prove dry holes if the averages established during a quarter of a century are to hold good. There are conservative souls who contemplate the enormous sums being expended and solemnly declare that the whole nation is going bankrupt in the search for motive power for its automobiles.

But there is another side to the story. In Callahan county in West Texas several

found and the deposits are being worked. Other wells are being sunk around there.

So there are two sides to the story. Losses there will certainly be. Millions of acres of land have been leased for oil and gas. All of them cannot be oil fields. Texas is too big for such a thought to be reasonable. Some day cashing in time will come and dry holes on hundreds of thousands of acres absolutely valueless. But in the interim the log of every well is watched for other minerals.

It is a great boon for any state to have millions expended in punching holes in the ground. No one knows just exactly what is under the surface of the earth and the best way to find out is to stick a drill down there and see—if you think you can afford it.

Those Ship Profits

STEAMSHIP rates seems to be a factor over which our Shipping Board has not taken control despite the 6,172,000 gross tons of new vessels it had received to the end of 1919.

The results may have a decided interest for American industries. The rate from New York to Liverpool for a standard manufactured article may have become pretty well stabilized at \$1. Perhaps the rate for the principal raw material for this article would normally be 65 cents. For purposes of reconstruction, England has a general policy of encouraging imports of raw materials and British vessels accordingly cut the ocean rate for this particular material to 50 cents, leaving the rate for the manufactured article where it was. Our Shipping Board at once follows suit, placing the rate for raw material at 50 cents and keeping the rate for the manufactured article at \$1.

Its philosophy seems to be that otherwise it would not get for its boats any of the raw material and would miss the handsome profits in the dollar rate for the manufactured article. Some of the manufacturers, however, maintain that they cannot sell against foreign competitors by reason of the "spread" between the two ocean rates.

In any event, one would like to know something about the private company the Board takes as its paragon. In ideals and purposes private companies are quite as diverse as humans. Roughly, they may be classified into concerns that seek to reap the fullest possible harvest in the present moment and interprises that in the present build for the future. Companies of the first category charge all the traffic will bear; those of the second variety are likely to make their present rates chiefly for the purpose of developing future traffic.

There may be a question how far afield the Board is to go in its beneficent conception of itself. In competition with foreign companies which follow policies of foreign governments if the Shipping Board to continue in its imaginary rôle of a private company, merely following suit with its high fleet, gathering in the profits while there are any, and thus lending aid to foreign policies even though they are detrimental to our own industries, including in the end even our merchant marine? Verily, the Shipping Board has some hard questions to answer.

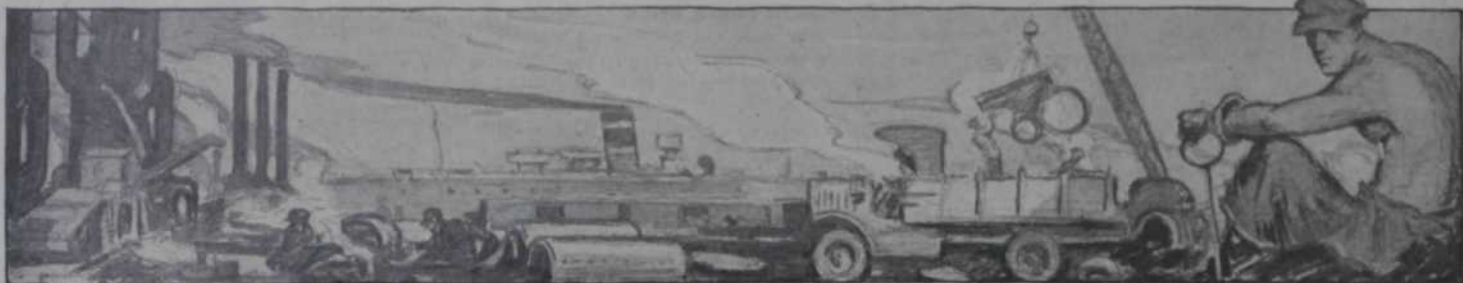


People remembered only the successes—with the usual result!

veins of coal have been found. Also some salt deposits well worth working. Near Tahoka in extreme Western Texas a wild cat well has found great quantities of valuable salt. In that same general section of the state scientists who went there because of interest in oil have discovered that the surface lakes of water that the cattle will not drink are rich in potash. Near San Angelo a deep test for oil brought in such a tremendous flow of artesian water that hundreds of fertile acres can be irrigated. Water is one of the most valuable of all the by-products of this activity.

Western Texas is semi-arid and has known terrible drouths during which thousands of cattle perished or were rushed to market in poor condition. Water is almost as valuable as oil there and today scores of artesian wells have been brought in where no one would have dared the heavy expenditure of drilling unless the search was for oil. Some twenty counties of East Texas have iron ore deposits but no coking coal. Already gas has been found in sufficient quantity there and in Louisiana to open possibilities for its use in making steel by new processes already patented. At least one company with \$10,000,000 capitalization has been chartered in Texas for operation in these East Texas ore fields.

Oil wells are being drilled in the rocky hills of extreme western Texas where even cattle cannot find enough pasturage to live. In those hills some gold and silver and quicksilver has been found. Whether the oil wells will discover more remains to be seen. Not far from Marble Falls graphite has been



You Can't Get Away From Exchange

EXCHANGE has some vital effects upon people's affairs. For example, it means much to the Chinese coolie who goes to Mexico to work.

For his labor he probably receives about \$25 a month in gold. For his own living expenses he may use \$15. The other \$10 he religiously remits to his family in China for whom it means, at ordinary rates

of exchange, \$20 to \$25 in the silver money of China. Of this silver the family uses around \$10 to meet its living expenses, and puts the balance away as savings. The change to obtain these savings is the inducement for the coolie's journey to Mexico.

But times have changed. Silver has become high in price. The coolie's remittance of \$10 in gold fetches only \$9 in silver when it reaches China. Upon discovering the tricks exchange has played a coolie may think twice before faring forth from his native land. He may stay at home.

The European or American in China, on the other hand, may be strongly influenced by exchange to go home. Turning his Chinese interests into silver, he can buy more gold sovereigns or gold eagles with it than at any time within his memory.

Exporting Good Will

WATCHING ONE'S STEP is important enough in the midst of street traffic but it is vastly more essential,—in fact, is a down-right condition of survival,—at the world's commercial cross roads, in foreign markets.

At the present moment watching one's step in selling to foreign buyers is especially necessary; for the friendships and aversions formed in these times will mean a great deal in future trade when the piping days of peace have actually returned. Giving more to a customer than he expects and doing more than a contract literally requires were probably never better investments for an earnest exporter than today.

Many Americans are making exactly these investments, but the percentage of carelessness which is normal in human endeavor persists. Every executive can profitably check through the routine of his establishment to make sure that every part of his organization is performing its function with accuracy. Such a procedure will reduce the percentage of error and bring excellent results in the profit-and-loss account.

Even with generous allowance for the propaganda of competitors, some of whom are quite equal to making a great-to-do over a ten-penny nail, one has to acknowledge there is a good bit of protest from the four corners of the earth because some American shippers have neglected to watch their step. Buenos Aires and Manila simultaneously report many shipments arriving without identifying marks. Presumably no one would consciously send several thousand dollars' worth of merchandise on a journey of two to fifteen thousand miles without marking the packages, but some people are obviously not using covering that will stay in place and marks that will be clear at destination, whatever the vicissitudes of the voyage. Failure to have the packing sufficient to stay in place and neglect of marks afford opportunity for some

classes of foreign buyers to profit at the American shipper's expense; for they may use the time-honored expedient of refusing goods not marked for them and take their chance of buying them in when they are put up at auction for what they will bring.

There is another point to consider in using export marks. These marks should be so placed that they are easily found and are not hidden among routings and other marks that have to do only with rail shipment in the United States. Some attention to this point will earn the everlasting gratitude of the steamship people.

The complaint about goods not coming up to sample is as venerable as the objection to insufficient packing and marking, but it now is heard from a new quarter. It used to be a complaint largely monopolized by Latin America. It now comes from London, where it is asserted there are more arbitrations over the quality of American goods than London has ever before known.

Undoubtedly much of the criticism of American ways in export trade is unjust and arises from ulterior motives. It has become almost a national characteristic for us to receive such criticisms; it

is a kind of penalty for being an American, and everyone is perfectly willing to pay the penalty, if necessary. That is no reason, however, for us to be indifferent. We can all do our part in seeing to it, first, that executives have the right spirit toward orders for shipment abroad and, second, that every employee who participates in the preparation and despatch of the merchandise is alert to do his task with the thoroughness and the care that are commensurate with the situation of a customer who lives on the far side of an ocean or two, and for whom that particular shipment may mean ruin or fortune.

The Lordly Steamer

STEAMSHIP prices have apparently gone the way of all other quotations. A British shipping paper has charted the course of prices a new cargo steamer of

7,500 tons, ready to start to sea for the new owner, would bring at different times, and indicates \$1,160,000 as the figure at the end of 1919. In 1914 it would have been \$215,000, and in 1908, when shipping touched its low point, it would have been \$180,000.

To Keep Humanity in Shirts

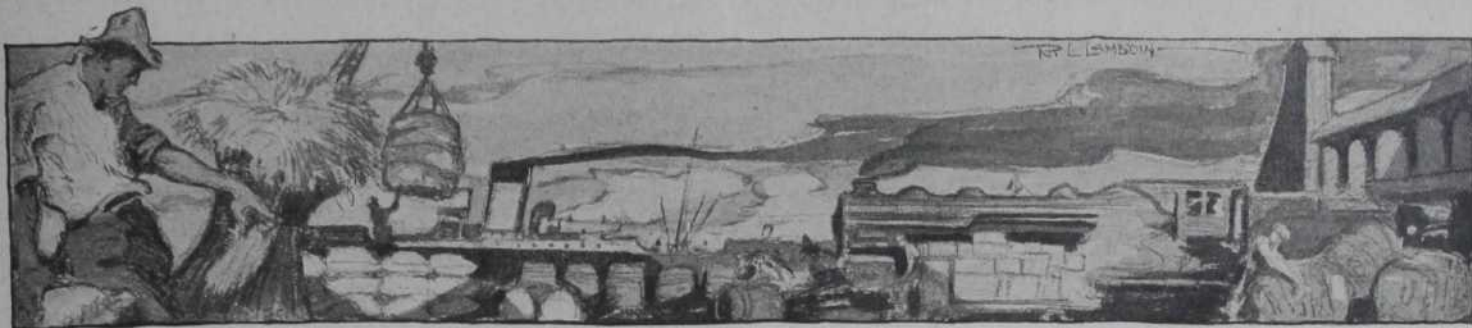
COTTON plays a great part in the lives of men, in England and in the United States. Even if in these later times cotton has been more of a handmaiden than a king, it has recently turned out a very haughty sort of person and inclined to be exceedingly self-assertive.

Two years ago England took note of such possibilities and has since had a committee looking into things. This committee now points out that the world is short in cotton, if needs are measured by the capacity of pre-war machinery, and the shortage is increasing; that the shortage is greatest in the kinds of cotton that go into the finest kinds of cloth; that England is getting 85 per cent of its cotton from the United States, which each year uses more of its own crop; and that the British Empire can itself with profit produce the cotton it needs. Egypt, the Sudan,

On Tearing Down Houses

PROPERTY is the fruit of labor; property is desirable; is a positive good in the world. That some should be rich shows that others may become rich and hence is just encouragement to industry and enterprise. Let not him who is homeless pull down the house of another, but let him work diligently and build one for himself, thus by example assuring that his own shall be safe from violence when built.

Abraham Lincoln in reply to a letter from the Workmen's Association of New York



Uganda and India are parts of the empire in which, according to the committee, cotton growing can be greatly extended.

It seems the committee believes that to extend cotton growing in the British Empire it will need funds—something like \$500,000 a year. This amount it proposes to raise by levying a tax of twelve cents on each bale of raw cotton imported into England.

About the present prosperity of England's cotton manufacturing industries there can be no doubt. The end of the war apparently saw the shelves of the world bare of cotton goods. In this prosperity, England's Government-aided dye-making company, started after the war was begun, has participated. It now reports it has repaid the loans it received from the Government and has begun to pay dividends of 8 per cent on its stock.

A National Debt Collector

A CLEARING HOUSE for debts due to and from enemy subjects is contemplated in the treaty of peace with Germany. Having placed the treaty in force, such countries as England are already establishing their machinery for settling these debts. The British Clearing House for Enemy Debts has a Controller and an advisory committee; each branch of commerce and industry is invited to nominate a representative to confer with the controller on technical questions. It has begun operations by establishing rules under which British subjects are to prove their claims against Germans.

What! Do Corporations Have Rights?

PROTECTION from agents of the law who in their eagerness forget the lawful limitation of their powers is not obsolete, according to the Supreme Court. After arresting a man, officers of the law proceeded to his office and without a shadow of authority made a clean sweep of his books, papers, and documents. Upon what was discovered in this way the Government founded an indictment.

The Supreme Court said that the Government could not now express regret for an outrage against constitutional rights and at the same time attempt to obtain a conviction through the information it got as a result of the outrage.

It even declared that the fact of a corporation being involved did not alter the case, because "the rights of a corporation against unlawful search and seizure are to be protected even if the same result might have been achieved in a lawful way."

Still Facing the Foe!

DEMOBILIZATION of Government employes has not followed the armistice. On the day when the armistice was signed the number of federal employes at Washington was 117,000, having risen from 37,000, the number when the United States went into the war. By July 1, 1919, the number had

been reduced to 102,126, but it has since insisted upon going up gradually. Clearly, demobilization of the country must cause the Government a lot of work nobody had suspected.

The Freight Car Famine

FREIGHT CARS simply do not exist in sufficient numbers to go around. They are lacking for exactly the same reason that keeps housing from being up to requirements. During the war, new houses and new railroad cars did not receive their proportionate share of attention. Our Railroad Administration acknowledges that acquisition of freight cars during federal control was less than under private control, and that none at all were ordered in 1919.

Even if there were adequate equipment in cars, it would be tested; traffic is heavy. The Railroad Administration announced that a week in January, 1920, showed 162,000 more cars of freight loaded than the corresponding week in 1919, and 216,000 more than for the corresponding week in 1918. At the time there was prospect of still heavier traffic in February and March.

Scarcity in freight cars is a world-wide condition. Germany, Austria, France, and England join us in longing for freight cars. In England the "railway waggon shortage" is one of the real themes of the hour among business men, and it seems likely that demurrage rates will be assessed as high as \$7.50 a day for folk who detain a freight car of a special type.

As for ourselves, the immediate prospect is for a Congressional investigation. It will be interesting to see which will be the more efficacious in making freight cars available—a heavy demurrage levy or investigation.



Hostile Voice in the Crowd: What did you do in the war?
Park Orator (crescendo): Wot did I do? Why, I tried to stop the blinkin' thing.

From Punch

These Clever Japanese Matches Speak Swedish

UNIMPREGNATED SAKERHETS TANDSTICKOR" does not look like Japanese. Appearing upon sundry packages arriving from Japan, these words caused the Federal Trade Commission to set its linguistic section to work, and eventually led the Commission to file its formal complaint against the importer, on the ground he was engaging in unfair methods in trying to palm off Japanese goods as originating in Sweden.

Can This Be True?

HUMOR, either fresh or stale, is not an ordinary characteristic of Government reports. In an official document, recently published by our Government on the subject of the Netherlands during the war, the following passage appears to have escaped the serious-minded editor's censorious pencil:

"Holland's cheese industry is both noted and notorious. At least one province—Limburg—has given its name to a species of cheese which is both widely and strongly known."

Before We Establish Soviets---

Let's make a careful study of the Russian system which our "intellectuals" praise and see wherein it is better or more democratic than our present form of government

By **BURTON L. FRENCH**

Representative in Congress from Idaho

IT HAS been nearly three years since March 12, 1917, when the unrest in Russia culminated in the overthrow of the dynasty of the Romanoffs, and then with kaleidoscopic rapidity the government was transferred from Czar Nicholas to Prince George Lvoff, from Lvoff to Kerensky, and from Kerensky to Lenine and Trotsky, the leaders of the soviet form of government.

We are not surprised when extreme and radical groups of people applaud an extreme and radical type of government. We are not surprised that anarchists everywhere, that the left wing of the Socialist party of the United States, that the Social Democratic party of the United States, and similar organizations in other countries heralded with delight the soviet government in Russia; but we are surprised when people who, we assume, have accurate habits of thought express their opinion as favorable to the soviet system.

Not very long ago a professor in one of the leading universities of our country spoke his mind in favor of soviet government. As soon as he understood a little more of what it meant he was just as ready to withdraw his approval.

Not many weeks ago the Postal Employees' Union of the city of Minneapolis, Minn., adopted a resolution pertaining to Russia that included the following:

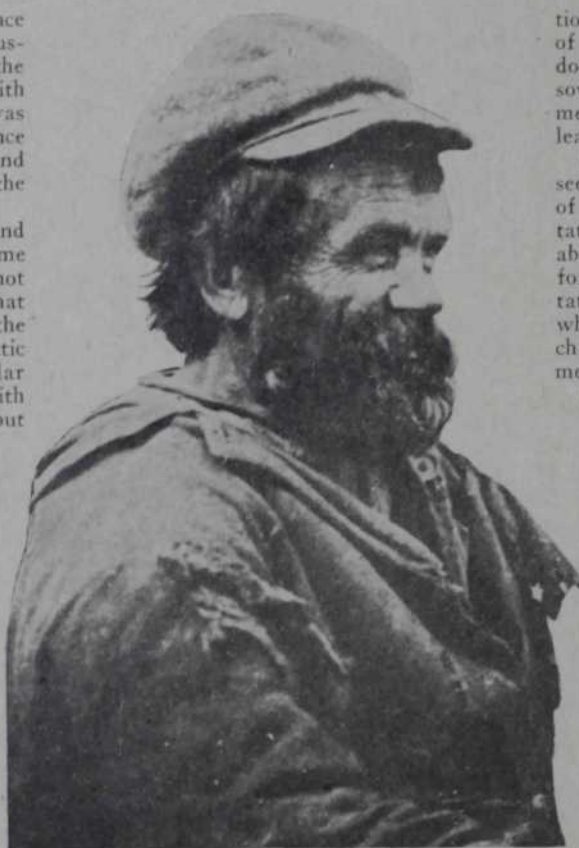
"And, whereas, fully 95 per cent of the population of Russia fully supports the soviet government of Russia, be it resolved that the Minnesota Federation of Labor express its sympathy with the soviet Russia."

I understand that the resolution was strenuously advocated by four members of the Postal Employees' Union, that these four members, who were delegates from the union to the State convention of the American Federation of Labor of Minnesota that convened on July 22-23, 1919, presented the resolution to that organization and secured its adoption.

They Might Have Been Misled

NOW I can not for one moment fail to think that the members of the State Federation of Labor of Minnesota were imposed upon and misled. It may be, too, that they did not intend to indorse the idea. In my judgment, one or two features of the soviet system may have been presented to the convention and a strong plea was then made in which the sorrows and horrors through which Russia has gone during recent years—yes, indeed, during centuries—were presented to the convention and with the idea that the convention was approving some action that the Russian people have taken looking to democracy, a favorable vote was had upon the resolution.

But the attitude of the Minneapolis Postal Employees' Union and the Minnesota State Federation of Labor must not be taken as the attitude of the laboring men of the



© Paul Thompson

Poor Ivan! His deliverers have placed a pyramid of tyranny upon his patient shoulders. It takes 25,000 city voters to send a member to the All-Russian Congress of Soviets; but 125,000 inhabitants are required to send a country representative there.

country or the American Federation of Labor. the convention of the American Federation of Labor, that was held in Atlantic City in June of this year, very clearly indicated its opposition to bolshevism and to the soviet government.

A government has no right to exist save only as it serves the highest interests of the people who make up the government and who come in contact with it. Now, if the soviet system is better than ours, by all means let us adopt it; let us lay aside the experiment that we have tried for over 100 years and take over the soviet system that promises so much.

It is, then, from the standpoint of a comparison of the essential principles of the soviet system with the essential principles of the representative systems such as we know it in America that I want to consider the question.

In January, 1918, the group of Russian people headed by Lenine and Trotsky adopted what might be called a declaration of rights, and on July 10, 1918, the All-Russian Congress of Soviets formally adopted a constitu-

tion, and this instrument recites that the bill of rights is part of the organic law. These documents are the basic foundation of the soviet government. The form of government is known as soviet, and the active leaders in its support are Bolshevists.

Strangely enough, a good many writers seem to assume that the only unique feature of the soviet government is group representation. The fact of the business is there is absolutely no philosophy by which the soviet form of government can be made representative unless the fundamental principles on which it rests shall be transformed and changed as completely as the changes of elements would be in color to make black white.

From an examination of the soviet constitution, it appears that the executive authority is combined with the legislative, and there is no mention of a judiciary. Also it will seem that Russia for its government is divided into units of various sizes, just as is the United States. We have the country as a whole, counties, and other local units such as districts, precincts, or parishes, or urban units, such as cities, towns, and villages, depending upon the State. Then we have the different bodies chosen to govern these units. So in Russia.

Russia, considered as a whole, is divided into regions, provinces, counties, and rural and village units. Then we have the governing body for each unit. This governing body is known as a soviet.

There is no magic in the word "soviet." It merely means a council. It means a legislative or deliberative body. It had as well be called a council, a congress, or a parliament.

In Russia there are several different soviets—the local rural, the rural, the village or urban, the county, the provincial, the regional, and the All-Russian Congress of Soviets. These may correspond to deliberative bodies of our precincts, our counties, our States, and our Nation.

So far there is nothing incongruous. But how are the soviets elected?

Votes by Crafts

IN the first place, instead of the people voting by parties or by groups representing public opinion, they vote, at least theoretically, by trades or crafts. But for whom do they vote? For members of the All-Russian Congress or Soviets? No. For members of the regional or provincial soviet? No. For members of the county soviet? No. For members of the local soviet? Yes. That is, the people voting by trades elect members of the particular craft to which they belong to the local soviet. Now, this is all the part the people themselves have in this much heralded government. The people, then, or those of the people who have the franchise, in theory have the right to vote for the members of

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the local soviet. The local soviet in the cities is called the urban soviet; in the country it is called the rural local soviet.

Now, this represents the final responsibility that is placed upon the people. Having that in mind I am going to try to examine the Russian Government by placing it alongside the Government of our own country. Let me then direct attention to the different units of government as they exist in Russia and the corresponding units of government as they exist in the United States.

I want my readers to consider first the legislative bodies that exist in Russia and the subdivisions of government under Russia, and the legislative bodies that exist in the United States on down to the officers elected in our precincts, villages, and towns, as shown in the Deadly Parallel No. 1 on this page.

As to Executives

NOW let us pass on to the executive officers in Russia and the executive officers in the United States. The executive officers of all Russia are what are termed in the constitution the commissars. For comparison, I have presented Deadly Parallel No. 2, on this page.

With reference to the method of apportioning representation to the legislative bodies in Russia, and the method of apportioning representation to the legislative bodies in the United States, I offer Deadly Parallel No. 3.

Deadly Parallel No. 4 shows the franchise as it exists in Russia under the soviet system according to the constitution, and as it exists in the United States.

The farmer in Russia votes for his rural local soviet member, and when he casts that ballot his power as a vote has come to an end. The members of that local soviet vote to elect members to the rural soviet; the members of the rural soviet then vote to elect members to the provincial soviet; and the members of the provincial soviet vote to elect members to the All-Russian Congress of Soviets.

In other words, as the Senators of the United States in the olden times were once removed from the American voter, the members of the All-Russian Congress of Soviets are three times removed from the Russian farmer. The city voter is trusted more than the farmer, for he votes direct for his urban representative, who in turn votes for the member of the All-Russian Congress of Soviets.

In Russia the political organization that is less than the entire nation is what is known as a region. It would correspond in the United States to a group of States such as the New England States or the Pacific Coast States. In the United States we have no

DEADLY PARALLELS

No. 1—How Executives Are Elected

RUSSIA

- 1.—The executive officers of all Russia are chosen by the All-Russian executive committee, which is chosen by the All-Russian Congress of Soviets, which is chosen by provincial and urban soviets, etc. (In Russia the chief executive is three times removed from the city voter and five times removed from the rural voter.)
- 2.—Regional and provincial executive officers are chosen by the respective soviets, which themselves are not chosen by the people.

UNITED STATES

The President is elected by electors chosen by the direct vote of the people to vote for a particular person.

(In the United States the President is once removed from the people.)

Governors are elected by direct vote of the people.

No. 2—How Legislative Bodies Are Elected

RUSSIA

- 1.—All-Russian Congress of Soviets. Members are chosen by members of—
 - a. Urban soviets.
 - b. Provincial soviets. (Not elected by the people.)
- 2.—Regional soviet. Members are chosen by—
 - a. Urban soviets.
 - b. County soviets. (Not elected by the people.)
- 3.—Provincial soviet. Members are chosen by members of—
 - a. Urban soviets.
 - b. Rural soviets. (Not elected by the people.)
- 4.—County soviet. Members are chosen by members of—
 - a. Urban soviets. (in cities of not more than 10,000.)
 - b. Rural soviets. (Not elected by the people.)
- 5.—Rural soviet. Members are chosen by members of—
 - a. Village soviets. (Of less than 1,000 people.)
 - b. Rural local soviets. (The people allowed to vote for village and local soviet members.)
- 6.—Local soviet.
 - a. Rural local soviet. (Elected by part of the people.)
 - b. Urban soviet. (Deputies elected by part of the people.)

UNITED STATES

Senate and House of Representatives. Elected by direct vote of the people.

No governmental subdivision to correspond (would be like a group of States, as New England States).

State legislatures. Elected by the direct vote of the people.

Country commissioners or similar officers. Elected by the direct vote of the people.

No corresponding governmental subdivision. (It is less than a county and more than a township.)

Precinct, township, or other local organization. Officers elected by the people. City, town and village officers. Elected by the people.

No. 3—Who Gets Representation

RUSSIA

- All-Russian Congress of soviets. Members chosen by—
1. Urban soviets. (Cities and towns.) One member elected for every 25,000 voters.
 2. Provincial soviets. (Representing urban and country population.) One member elected for every 125,000 inhabitants.
- Regional
- Regional soviet is made up of—
1. One representative for every 5,000 city voters.
 2. One representative for every 25,000 inhabitants of the country.
- Provincial
- Provincial soviet is made up of—
1. One representative for every 2,000 voters in the city.
 2. One representative for every 10,000 inhabitants of rural districts.

UNITED STATES

Senate
Two Senators elected from each State.

House of Representatives.
Representatives chosen from States on basis of population (farmers sharing equally in government with city population).

No similar body in the United States.

State
State Senators apportioned by counties or on basis of population. State representatives apportioned on basis of population.

No. 4—Who Votes and Who Does Not

RUSSIA

- 1.—The Franchise extends to all over 18 years of age who have acquired the means of living through labor, and also persons engaged in house-keeping for the former.
- 2.—Soldiers of the Army and Navy. Disfranchised:
 1. Persons who employ hired labor.
 2. Persons who have an income without doing any work.
 3. Private merchants, trade and commercial brokers.
 4. Monks and clergy of all denominations.
 5. Members, employees and agents of the Czar's government.
 6. Persons unfit on account of mental ailment or criminal record.

UNITED STATES

The franchise extends to men in all States (and women in many States, and soon in all) who are citizens and over 21 years of age, less those disfranchised on account of illiteracy, mental ailment, or criminal record.

political organization that presides over or is responsible to a group of our States. The State itself is the only unit above the country between the county and the Federal Government.

Under the Russian soviet system the members of the legislative body known as the regional soviet are chosen not by the people but by the urban and county soviets, the urban soviet members being elected in the cities by the direct vote of those of the Russian people who are permitted the ballot, while the county soviets are twice removed from the farmer, who again cannot be trusted with the responsibility of voting for so much as a county officer in Russia.

The next political unit in Russia is the Province. This unit corresponds with the State under our own system. In Russia the provincial soviet, a legislative body, is made up of members elected by whom? The people? Not at all. It is made up of members elected, first, by the urban soviets, who are elected by the people, and by the rural soviets, who are once removed from the people. In the United States our State legislatures are elected by the people.

In the translation of the constitution of Russia that I have, the word "county" is used as the English equivalent of the Russian word and it corresponds with a small section of country similar to the county in our own government. In the United States the persons who are intrusted with the supervision of county affairs are the county commissioners. These officers are elected by the people just as are our Senators and Members of the House and just as are members of the legislatures. In Russia we find that the members of the county soviet are not chosen by the people; they are chosen by the urban soviets and by the rural soviets.

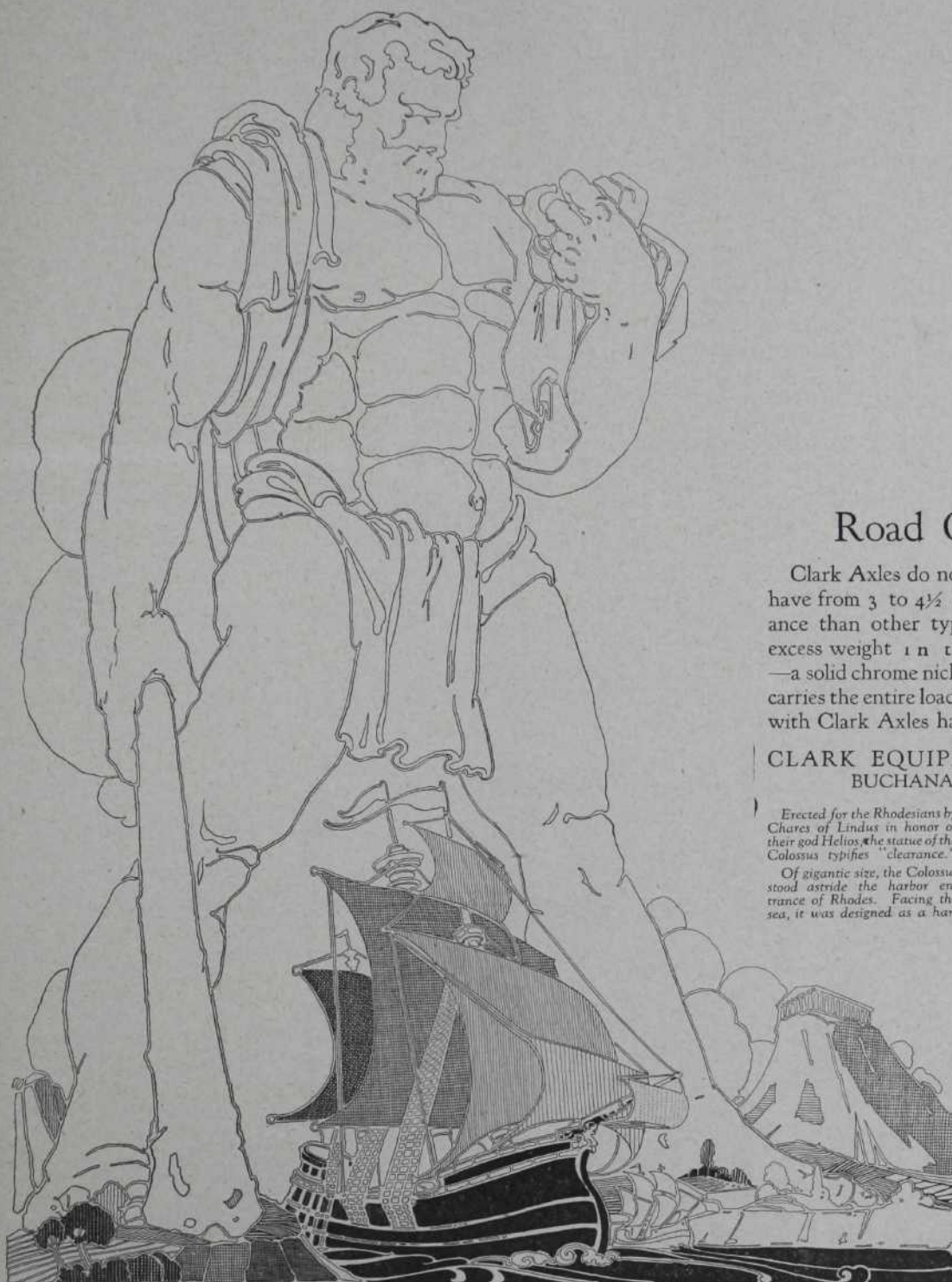
More "Middlemen"

IN organizations less than the county soviet, we find rural soviets made up of members who are elected not by the people, but by two groups, first, the village voter from villages whose population is less than one thousand people and by the rural local soviet.

In the cities of more than ten thousand people we find the urban soviets. The members of the urban soviets, the members of the village soviets, and the members of the local rural soviets receive their franchise direct from the people.

This is Russia. This is the soviet system.

The All-Russian Congress of soviets is necessarily a very large body and it is an unwieldy body. For the purpose, then, of close executive administration the constitution provides that there shall



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Clark Axles do not "drag their feet," they have from 3 to 4½ inches more road clearance than other type axles—they carry no excess weight in the differential housing—a solid chrome nickel steel one-piece forging carries the entire load. Motor trucks equipped with Clark Axles have ample road clearance.

CLARK EQUIPMENT COMPANY
BUCHANAN, MICHIGAN

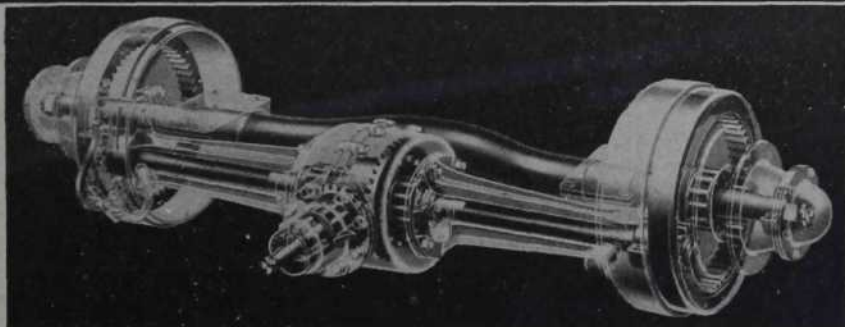
Erected for the Rhodesians by Chares of Lindus in honor of their god Helios the statue of the Colossus typifies "clearance."

Of gigantic size, the Colossus stood astride the harbor entrance of Rhodes. Facing the sea, it was designed as a har-

bor guard. All shipping passed beneath it.

Just as the Colossus cleared the ships of that long past age, motor trucks equipped with Clark Axles have a safe margin of clearance on all roads.

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CLARK INTERNAL GEAR DRIVE MOTOR TRUCK AXLES.

be an executive committee appointed of 200 members. This executive committee is chosen by the All-Russian Congress of Soviets.

This committee then selects another committee of 17 members, which is called the council of people's commissars, each member of which presides over another committee chosen by the council and which exercises the function of a cabinet department of the government. The chairman of each committee is the chief executive of the particular department to which the business of the committee pertains. The chairman of the foreign affairs committee, the chairman of the committees on the army and the navy, become necessarily the most important members of the Russian government, and the chairmanship of the foreign affairs committee is the office that is now filled by Lenine. The chairmanship of the committee on military affairs is the office filled by Trotsky.

Mr. Lenine, then, is responsible not to the people, not to the country, not to the State or Province, but to the executive committee

of the All-Russian Congress of Soviets, which in turn is responsible to the congress. He is three to five times removed from the voting power of the people of Russia.

In the United States the chief executive of every State is chosen by the direct vote of the people. Not so in Russia. The executives of each Province are chosen by and are responsible to the provincial soviet.

While the people in the United States vote for their executive officers in precinct, in village, and in country, all the executive officers, from the local soviet through the urban and village soviets up to the county soviets are chosen not by the people but by the soviets themselves of the region over which they are expected to preside.

In Russia the overwhelming majority of people are farmers, and only 6 of the 50 Provinces have any considerable population engaged in non-rural industries. Lenine and Trotsky when they seized control knew that if they were to retain their control and pass it on to others capable of thinking along similar lines, it would be necessary for them

to work out a system by which the craftsmen and the men in the army and navy would have an unfair and undue share in the representation in the legislative bodies.

Accordingly we find the constitution solemnly declaring that one member to the All-Russian Congress of Soviets, if he shall represent city people, shall be elected for every 25,000 voters, and if he shall represent provincial people—the farmers—one member shall represent 125,000 inhabitants. The constitution uses the word "voter" as applied to the city dweller, but "inhabitant" as applied to the country. The reason is plain. The farmer must be disfranchised.

In a government that has been heralded so widely as being the most profound experiment in democracy that has ever been undertaken, we would naturally expect that the franchise would be along lines that would recognize all mankind embraced within the citizenship of the nation as standing upon an equal footing. The United States has for many years adhered to that principle. That principle seems foreign to the way of Lenine and Trotsky.

Pegging the Lines on the Map

Plain enough on paper, they don't appear on the earth's surface, hence Uncle Sam must determine the imaginary boundary marks, watch a shifting coast line, and explore it for secret reefs

By AARON HARDY ULM

ONCE, in the days when the Congressional saloon that had enjoyed the patronage of Clay and Jackson still operated, a member of Congress was accused of having risen shakily in his place and asked:

"Mr. Speaker, where am I at?"

There was an investigation to see whether the member had actually asked the question or had been in the state that presumably inspired it.

Neither the committee nor Congress as a whole stopped to inquire whether the question was a very sensible one. No one thought to remind Congress that since the early days of the nation, it had been making regular appropriations toward finding through the Coast and Geodetic Survey an answer to the question. In truth, it still can be so asked, and it would yet be very difficult to obtain an accurate answer. For few, if any of us, really know "where we are at." Such of us as own real estate don't know, except in a general way, where it is located, and most of us would have a very hard time finding out.

A man we'll call Ezekial Smith thought he knew the location of his big estate. His "knowledge" was based on a careful survey he had made on purchasing the property, the boundary lines being fully—not to say painfully—described in the recorded deeds which attested his ownership. Those lines had been run to a dot by a good surveyor. But after Smith died and his children came into possession of the property, the discovery of a valuable mineral thereon sent the value of some of

LAWYERS will tell you that land-line disputes have caused more murders than any other form of quarrel. Wars have risen out of the same question between nations that causes Farmer Hawkins to sue his neighbor for trespass. Many killings and court contests would have been averted if the stars had been first consulted. That is, consulted through astronomy and not astrology. The Government is daily appealing to the Hesperides and other distant suns for data to settle controversies over boundaries between states, counties and farms.—THE EDITOR.

the acres to many thousand dollars each. Just how many thousands of dollars would be harvested from the mineral depended on the line marking a portion of the estate's boundary.

"Oh, that is easy," the heirs declared. "Father was a most careful man."

Yet when the dispute that inevitably arose came to focus, they found it was anything but easy. For example, when the new surveyor came along to test the old survey, it was discovered that the needle of the compass swerved from the course the one used years before had pointed out. Accordingly "due north from the big rock near the juncture of West branch and Suttle's creek" inclined several feet inward from the line the first surveyor had located as the property's boundary—feet that were worth many dollars an inch.

The trouble was not with "due north," for that is veritably unchangeable, nor with either of the compasses. The fault lay with the force of terrestrial magnetism, the mystery of mysteries in physics. It causes the compass to point out "due north" in only a

very few places, and its variations everywhere render a compass, acting alone and without a history of those variations in the particular locality, a very inaccurate instrument.

Likewise, the plumb line and spirit level may be swayed from absolute accuracy by variations in the force of gravity, variations somewhat similar but not nearly so mysterious as those inherent to magnetism.

The line involved in the dispute over parts of the Smith estate being a long one, still

another difficulty arose. As with other local surveying, the first line had been run "straight;" that is, on the predicate that the earth is flat. A truly straight land line is necessarily a curved line.

When highly expert civil engineers were told to define the Smith estate within inches of accuracy, they first looked around for a starting point whose position would be beyond all question. To establish such a point, an engineer must go far beyond the realm of magnetic needle, spirit level or surveyor's chain. He must go to the heavens for guidance and call astronomy to his assistance. For that point must be based on accurate reckoning of longitude and latitude, which is controlled by the earth's position in the universe. When that is procured the rest is not so difficult.

But the reckoning of latitude and longitude with absolute accuracy is not easy, even if more than theoretically possible. For it is subject to variations caused by wobbling of the earth's axis. These, however, can be figured out to a degree of reasonable certainty

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Thus you see the establishment of a land-line may be a very intricate affair, and important in degree to the value of the land involved. The Government has been endeavoring for a hundred years or more to simplify the process. It has spent millions of dollars on the work and will have to spend many more millions before it is so much as half completed.

The work is carried on by the Coast and Geodetic Survey, the oldest of the Government's scientific bureaus, unless we place the Patent Office in that class. The Survey was established during the administration of Thomas Jefferson, whose interest in science was second to his interest in politics.

"Where Are We At?"

IN addition to its work on land, the Survey has the huge task of charting the country's coastal waters, so that ships bearing persons and cargoes to and from our ports may escape the submarine dangers, of submerged rocks, reefs and bars.

It may surprise you to learn that a spot in Kansas, located on what is known as Meade's ranch, has a vital bearing on the correct charting of, say, the harbor of Norfolk, Va. On Meade's ranch there is the basic marker that is the center for the geodetic control of the country which the Survey has developed and is constantly extending. That "control," while still incomplete, is tied together at many points. When finished it will be a single unit, whereby the exact location of a shallow spot in the harbor of Boston, the extent of a coal deposit in Arkansas, or the precise geographic whereabouts of Broadway, New York City, may be tested or established.

All of which leads us into mathematics so complex that a better view can be presented by making note of the obverse side of the picture.

Like the land line of the Smith estate referred to, virtually all of our boundary lines are more or less vague and "imaginary." You may recall the dispute about Andrew Jackson's birthplace, whether the log cabin, located very near the line, was in North or South Carolina.

There are thousands of less famous persons still living who think they were born in one State, when mathematical truth would disclose their birthplace as being in another. Likewise, and more manifold, as to counties, and even perhaps to some extent the country as a whole.

If you were to take the data from which most of our maps are made and endeavor to map the country from it, there would be an endless number and astounding size of gaps between most of our geographical divisions. And if you were to take the land record books of a county and by them alone divide up the land between the various owners, one

might be astonished by the number and extent of "unowned" spots that would develop as well as by the "doubly owned" in the form of overlappings.

It is all because the job of finding "where we are at" or where our property is "at" is surveying of the country is the one branch

The practical phases of geodesy consist of finding and applying those laws which govern location. It is the highest form of earth surveying.

But the Government's geodists, as a rule, don't bother with geographical lines as we know them. They merely establish the data which others may use as a starting point in making correct measurements. These data are of two chief varieties. One is exact latitude and longitude and the other precise latitude. The two are developed as separate entities by different processes, but in some respects conjoin.

A party, for example, will go to Kankakee, Illinois, and on some favorite spot set up instruments for taking astronomical observations by which is determined the exact latitude and longitude of the position. A cement post is buried in the ground and into it is fastened a brass marker that bears a number. From that post an exact measurement will be made of the distance to another spot, maybe several miles away but within visual range, where a similar marker will be placed.

Once they used rods that were kept in ice to prevent temperature changes affecting their accuracy. The Survey has developed a wire that is practically impervious to heat and cold. Fine instruments are used and great care is taken in making the readings, so that when the measurement is completed its accuracy is within the fraction of an inch. The two markers are known as "primary control." With them as a basis, the process of triangulation can be used in determining the latitude and longitude of any other spot within range. Of course, the entire country could be triangulated from one "control," but that wouldn't be practical and the degree of fine accuracy would widen with the distance from the base. For the curvature of the earth necessitates modification of triangles covering a big area, and this involves considerable figuring after the "lay of the land" has been diagramed.

Fixing the Lines

IT is the ambition of the Survey to establish "primary controls" within a hundred miles of any point in the country, with transverses between, thus enabling any surveyor, having a long line to mark, to easily procure an accurate starting point. Though several thousand "control points" have been established, there are still big expanses of country without any.

Those "controls" when sufficiently close together are tested by transverses made between them when making local surveys—this is called "tying together"—and it is the purpose of the Survey to so join all of them, with the basic center on the Kansas ranch.

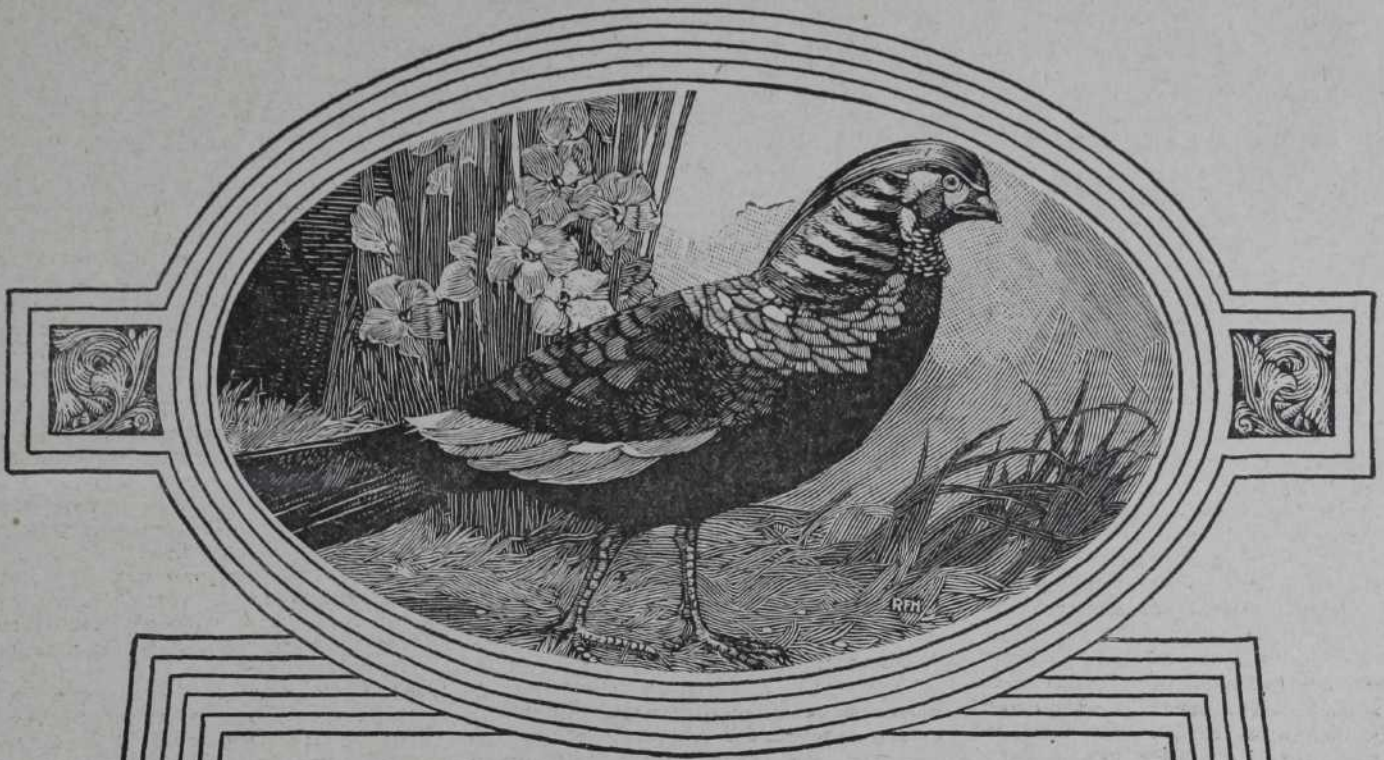
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Experts of the Coast and Geodetic Survey working in rugged country under difficulties. They are placing survey lines that will be beyond dispute. Quarrels of this sort are not confined to the country. Geodesists were once called to New York to settle a property controversy by determining where Broadway was!

of public science that has been left to the Federal Government alone. If it were shared, as most other research work is shared, the necessity for it being handled and concluded as a single unit would be obscured.

In a sense, the establishment of geodetic control is more of an international than a national undertaking. Already we have arranged with Canada to make our surveys in conjunction with its, so that the two will chime in harmoniously. And the deeper and the more highly scientific phases of the work, such as measuring the earth's crust and defining natural laws that bear on the whole universe, is carried on jointly by the more enlightened nations through the International Geodetic—or Physical—Association. That is a scientific League of Nations antedating the recent war, which is survived, nations on all sides being and continuing as members.



Gunning? Pheasant hunting may be the finest of the sports—but shooting for prospects with the Mimeograph also has its thrills. Five thousand shots an hour this business-bagging repeater fires. And every shot goes to where it is addressed—sent at maximum speed and minimum cost. Letters, diagrams, maps, bulletins, forms and the like are Mimeographed now as they have never been Mimeographed before. *Neater*—better work has been the aim of every improvement. You don't know what the Mimeograph can do if you haven't recently seen the Mimeograph in operation. With it—the cherished plan of this hour becomes the business-getting policy of the next—departures from the beaten track are invited by this ready and cheap means for their quick accomplishment—and dreaded emergencies disappear in an easy routine. Five thousand shots an hour—bringing down overhead and bagging bigger business! Others are gunning—why not you? Get booklet "N" from A. B. Dick Company, Chicago—and New York.



Already, a line of conjoined "controls" has been established from the Atlantic to the Pacific, and by them has been tested the accuracy of harbor charts made for the use of the mariners.

Those charts must be as nearly accurate as it is possible to make them, for a variation of a few feet might mean the loss of a vessel entering a difficult port. Every marking for the expanse of water—reefs, rocks, shallows, currents—must be defined by some permanent topographic object on shore. Thus the charting of a port or a coast line begins with the establishment of geodetic control on land. The accuracy of those land "controls" measures the basic accuracy of the chart, and each of those "controls" is or should be interwoven or "tied to" like "controls" throughout the country.

Precise leveling, while not so intricate, has a practical bearing not far less important than that of geodetic control. It is done with instruments now usually carried on railroad velocipedes or trucks. Many thousands of miles of the country, mostly along railway lines, have been leveled. The work can be done rapidly, some crews covering a distance of 100 or more miles a month.

The base on which the work starts is mean sea level, determined by instruments developed by the Survey's scientific mechanicians. No one has yet determined that mean sea level is the same everywhere, but it is generally agreed that it is. The test of a precise leveling survey are sea levels at each end. One made from the Atlantic to the Pacific checked up within three feet of absolute accuracy, which is pretty good for nearly four thousand miles involving varying altitudes. One across the Florida peninsula checked up within one foot of absolute accuracy.

The precise leveling provides uniform standards for determining altitudes throughout the country. Many bases have been used in estimating local altitudes. The result is that there are towns which are of a certain height according to one railroad passing throughout it and of a different height according to the other railroad running that way. Naturally this causes much confusion—not only in Chamber of Commerce claims, but in public works construction, and in cases where railroads cross each other, for the "highest" one sometimes runs under the "lowest" one.

Engineers approve the Government's scheme, which as developed is generally adopted. In fact, the precise levelling work, like the geodetic control work, is of great value to engineers and surveyors, who appeal daily to the Survey for basic information on which to plan enterprises such as railroad lines, public roads, sewerage systems, or to mark streets and define boundaries.

Further aid is rendered through observations that furnish data for the guidance of local surveyors in handling the compass. These observations have been made at nearly all the county seats of the country. Studies have also been made of the operation of the force of gravity, which, unlike magnetism, is affected by influences that can be fairly well gauged. Gravity is governed largely by the density of the earth's crust and by elevations; thus, the force of gravity sometimes indicates in a general sense what is in the ground beneath us, and in that way may be employed by geologists in studying the contents of the earth's crust.

Thus the geodetic work of the Govern-

ment bears potentially on many problems of life. It has been employed in settling boundary disputes between as many as ten States, and is often summoned to serve in solving such problems as the proper location of streets. Once when a corporation laid claim to a strip of Broadway earth worth about a dollar a spoonful, the Government's geologists had to trundle a truck load of instruments over to the Great White Way and show them the location of Broadway as the Dutch fathers intended it should be.

With a coast line of 103,000 miles, much of it not surveyed at all or imperfectly surveyed, and a great deal of it ever changing under the sway of tide and current, the task of protecting our shipping and that of other nations from hidden submarine dangers is one of gigantic proportions.

Not many years ago a great liner with lights ablaze and band playing steamed into an Atlantic Coast port. Its course was observed by a Government hydrographer. Next day his wire drag located an uncharted submarine rock, whose sharp fangs, only seventeen feet below the surface, had been all but grazed by the liner's prow. There the natural monster had stood waiting to celebrate its discovery with a disaster.

Only a very small portion of the coast of Alaska has been carefully charted. The shortcoming is reflected in the excessive rates of insurance. Justification of those rates lies in the half million dollars worth of shipping and cargoes that have been wrecked in Alaskan waterways almost every year for the last twenty because of the lack of accurate charts.

The Survey is charged with the duty of surveying and charting all our coasts, for the benefit of the world's shipping. It issues about 300,000 charts a year, yielding a revenue of about \$25,000, which represents only the cost of paper and the printing of those going to the merchant marine. It furnishes domestic charts to the Navy and other branches of the Government.

The work of its exploring crews on land and sea leads to much adventure. Many have given health or life to the work.

The importance of the survey is shown by the fact it is the only scientific bureau of the Government which was employed wholly for war service. Its vessels were attached to the Navy, and one of them has the credit of bringing down the German submarine that sank the *Lusitania*. Col. E. Lester Jones, excellent and enthusiastic superintendent of the Survey, was decorated by the King of Italy for distinguished service in the aeronautic branch of the American Army.

Watch Your Step, Street Car!

By R. E. FULTON

Vice-President International Motor Company

IF you lived in Easton, Pennsylvania and wished to attend a matinee in New York City, would you hail a passing bus? That may sound fantastic, yet it is a fact that a short time ago a party of ladies did leave Easton in a pneumatic-tired motor-bus, arrived at a New York theatre in time for the afternoon performance (a matter of 73 miles by train) and returned by bus to their homes the same evening—demonstrating something new in local transportation.

For the motor-bus today is coming to the

fore as a challenger of the surface-car in a traffic problem which grows increasingly complicated. There is no denying it. Public utility corporations throughout the country are in a serious financial condition—which means increased fares. In thickly populated sections traction lines are becoming more and more inadequate to handle congestion that is increasing every day.

Since the amount of traffic street-cars can handle is limited by the tracks on which they run, it is impossible for them to keep up with the growing needs of transportation without new tracks. But the increasing congestion of privately-owned vehicles on the highways prohibits this and increasing population demands increased transportation facilities.

And There's the Cost

THE motor-bus may not only solve this serious traffic problem but also provide the public with a more flexible make of transportation at lower cost. If more tracks cannot be laid in the business and residential sections of most large cities, there being no room for them, it is self-evident that motor-buses need no tracks. If traffic is constantly increasing and may eventually reach a point where the streets are unable to contain it, it is likewise true that busses would not block highways to any such degree as do surface-cars. They can detour a blockade. They can move about easily in all directions.

As for more sparsely populated areas, the laying of tracks for surface-cars means a huge initial expense for right-of-way, bridges, grading and rails. If such a line does not prove profitable, it cannot be diverted. The motor-bus system, on the other hand, is confined to no fixed route. And surely the development of the smaller communities deserves equal attention with the congestion problems already present in large cities.

The inability of the public utility corporations to increase fares as operating costs increase considerably decreases their dividends. Therefore investors who will lend money to build and equip new traction lines are increasingly difficult to find.

The motor-bus is economical as well as efficient in operation. New York City has proved this, and when Brooklyn traction companies raised fares and the people balked at paying them, motor-buses operated profitably on the lower fare basis in carrying men and women to business.

Elimination of the tremendous overhead expense of a surface-car line is the point where the motor-bus shines; for the bus is its own power-plant and consumes power only when in operation. Speedier than the surface-car, it can also make more trips per day, thus increasing revenue per unit of expenditure. The advantage of flexible over fixed routes has been pointed out. Buses can also unload passengers at the curb, thus greatly excelling surface-cars in safety. Buses are able to discharge passengers nearer their homes.

In California, by the consolidation of rural schools and the use of busses in carrying pupils to and fro, a more complete curriculum is offered to children in rural districts—only one instance of the service the bus can render sparsely populated sections. This school movement is spreading. There are seasonable needs for transportation that can only be filled by the motor-bus. Summer resorts, for instance, cannot support a surface-car line the year through.

DEPENDABILITY

Atlas Cement

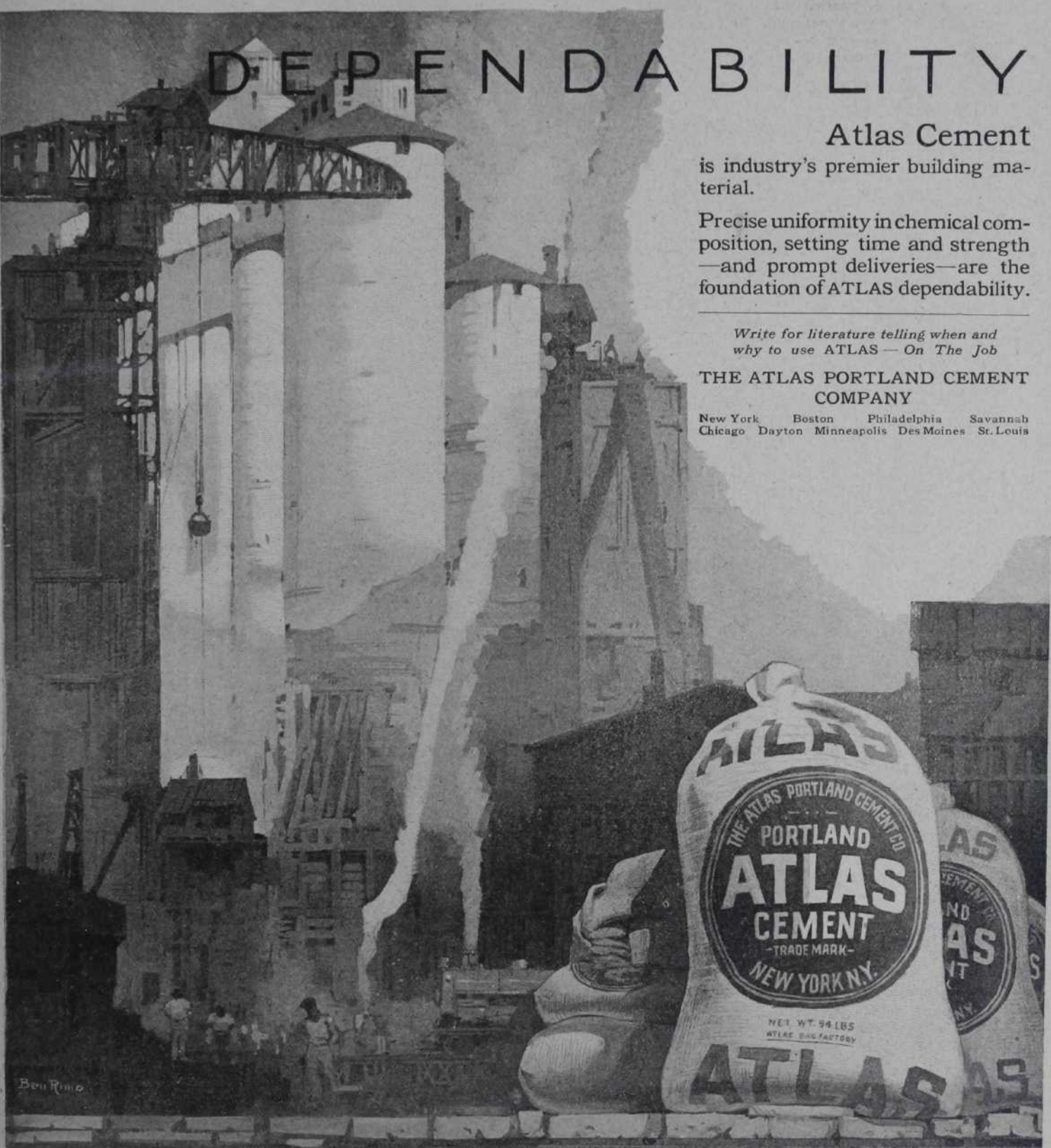
is industry's premier building material.

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burlesque shows! A wearied man needs a show or any kind of amusement with a lot of 'kick' in it to make him keep his eyes open.

"Work? As my buddies put it, 'I'll say' I worked! I wish I had a shovel here. I learned things about handling a shovel. It's an art. There's a right way and a wrong way. I—" Here Mr. Williams looked around to see if there was a shovel in the office. His hands clinched for a grip on its handle. He then smiled at himself and his hands relaxed, but the light in his eyes showed that he had come away from "the job" not without certain pride in the technique even of cleaning furnaces and checker-chambers.

Yes—the Soot Collects

"WED go into the checker-chambers—there are four of them to each furnace; they feed the furnaces with air made hot by the heat they draw out of the hot air as it passes out to the chimney when the furnace is reversed or 'thrown over.' They are—oh, about as large as this office—each one—and almost filled with bricks laid cat-cornered, like this (he illustrated). Regular big flues where the soot collects—I'll say it collects," he continued again in vernacular. "Each brick has to be removed, cleaned and put back or replaced by another. Often when we'd go in, the chambers would still be sufficiently cooled. Hot! Half an hour in and half an hour out was the general rule. Often it was a proposition of ten minutes to forty minutes actually, because you couldn't stand that heat. Then there was a draught. A spadeful of soot you started to heave out would meet that draught of air. Whoosh! All over the place again.

"But first we'd go into the furnaces. With the intense heat of their constant 'baths' of liquid steel, the bricks of the furnace roof eventually wear thin and fall in. It was a little inferno in there, too, even empty and cool as it could be made. You'd stand on boards that took fire under your feet, and scrape out the demolished brick. Let me tell you that that was a man's job, though I will say the gang took it slowly enough—with many admonitions to any newcomer to 'Take it easy! Go slow!'

"Then, one furnace job done, it would be the checker-chamber again. And no sooner were the checker-chambers finished than another furnace would be 'down' and in need of repairs. No, there's not much light work around a steel mill!" He smiled broadly.

"Well, that's the kind of work. I feel certain that the twelve-hour day—from the mere point of view of greatest returns to the company—is over-costly, uneconomic. There is nothing sacrosanct about the eight-hour day, and steel mills have to be run continuously; but, as a matter of fact, in the

labor gang, at least, the twelve-hour day is actually more like ten. The last two hours there is very little work done—though time and a half is paid. Foremen and watchmen will sleep when they are sleepy, no matter what the regulations. Two hours' loaf on

sents injustice. Every man, on the other hand, responds instinctively to the 'square deal.' Most labor troubles are found to root in bad handling by foremen. Train your foreman and then pay him well and treat him well is my advice to every manager.

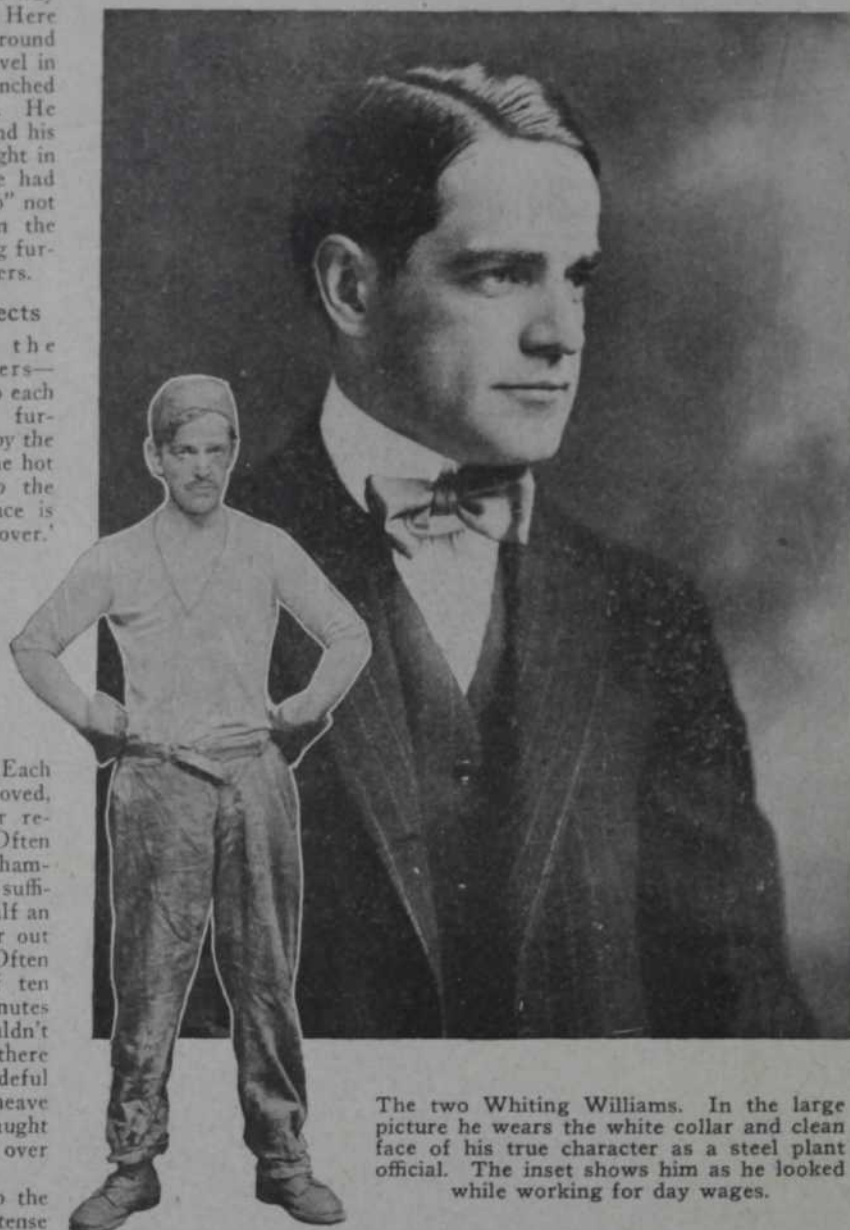
"I asked a pal in a certain city about the —company. 'That company?' 'Oh, fine!' 'Why?' 'Well, there, if a man soldiers the foreman says, 'Look here, Jack, I don't want to rawhide. But you ain't comin' through. It's me or you goes. I got my results to show. How about it?' 'Yes. I'll tell the world it's a fair company.'

"That's good formaning—to the worker that makes a good company. The men respond to that spirit. When I got to be an assistant foreman, I watched a young new untrained fellow at work in a gang. They were riding him to death. He was a lather of sweat. When the rest moment came, I went over to him and said, 'You better sit down on this bench and rest.' 'Yeah, why don't yuh git him a cushion,' said the crew leader instantly. But I saw the man was played out. I tried when I could to look after them that way, in spite of the pride they all have. It wouldn't be 'the thing' to have your helper sit down during a rest period, no matter how tired he may be. Just the same, when that young fellow quit that day he never returned to the plant. Work too hard—he had been over-driven—not by a foreman but by a leader of his crew.

The Bugaboo

BOLSHEVISM! I think the attitude of the country is wrong—all wrong there. The men I knew weren't Bolsheviks. Even the foreigners weren't—and I saw more of them than of Americans because they make up the labor gang. Propagandists came among the illiterate Russians in certain cases disguised as

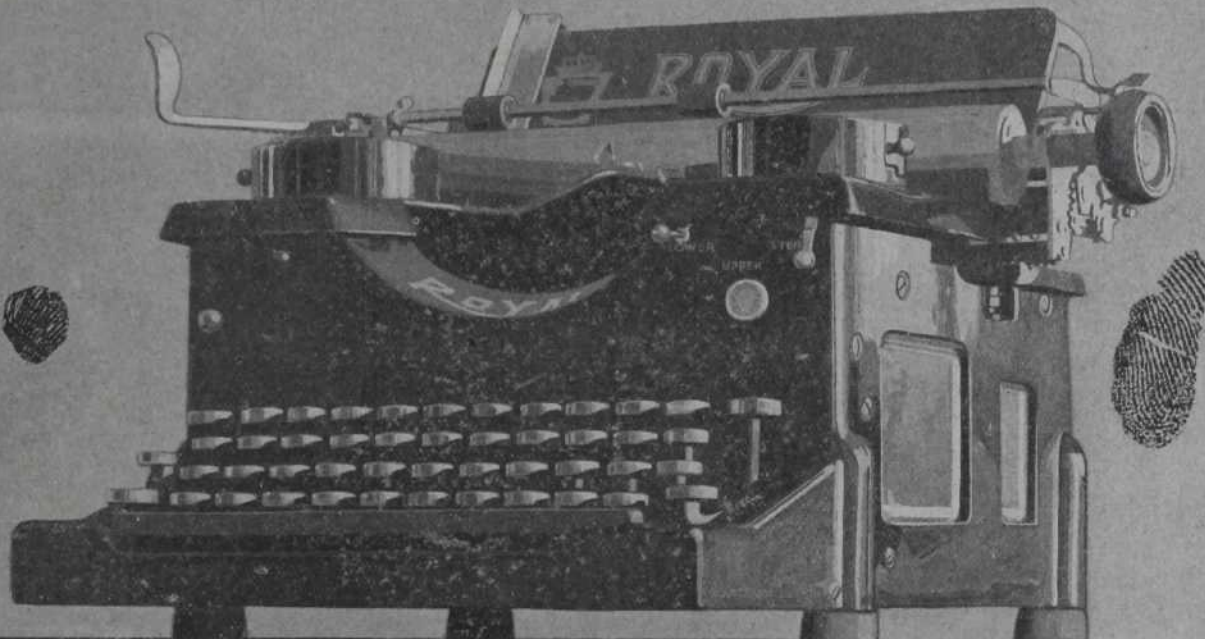
teachers of Russian, and the first sentences they were taught laboriously to spell out were incitements to direct action revolution. But that was a small minority. The masses of the men wanted one thing only—a good job, a steady job, and a certain job, with opportunity for the young and security for the old. They want to be able to live as decent human beings should and have steady work. They were workers, primarily. 'Why,' as one agitator said to me—and I met and talked to them, too. 'Where the men are worked, paid, housed and looked after properly, we can't budge 'em. Where they know and believe in the management and feel their job is steady, there's no chance for us agitators.' The men resent being branded as Bolsheviks, and in my opinion, the biggest inciters to Bolshevism in this country are those who do so brand the mass of the workers. As to the men's feeling about the labor unions, those who like them regard them a good deal as defensive organizations, protecting them



The two Whiting Williams. In the large picture he wears the white collar and clean face of his true character as a steel plant official. The inset shows him as he looked while working for day wages.

company time is certainly not an economical arrangement. Often three eight-hour shifts for the labor gang would be necessary. In many plants now the eight-hour day is being installed after careful studies discovered ways of doing it without materially lessening the men's earnings or the company's costs.

"I did not come in contact with the higher authorities. What an unskilled workman in a steel mill or any other plant knows is the contact with his immediate boss, the foreman, or the gang boss. He is one link, at least, in the chain of management that needs to be given a lot more attention. I know that the old type of driving foreman is going to pass, is passing—the 'rawhider,' the 'rider.' The new type—the leader of men—will come when management decides to train them—and appreciate them. I come back to the proposition that resentment in all men is kindled by certain methods—whether you are a mild and humane college professor or a heavy-muscled, bull-necked worker. Every man re-



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mainly from unjust firing. There is also of course much to be said on the labor union's abuse of power when they get it. But the workman regards the labor union as looking out for his interests on the job primarily. The job—that's what the worker thinks about, and that's 'where the shoe pinches.' Committees, profit-sharing, etc., and such things are good. But they are the frosting on the cake unless they are built on top of a regular job made as steady and secure as good company leadership from the top down and from the bottom up can make it. The man who lives by his daily wage must have a daily job. It's all very well for the contented citizen behind the paper at the breakfast table to say, "Yes, here's 5,000 men out of employment in Pittsburgh, but I see that about 5,000 more are needed in Chicago. These things seem to adjust themselves." But to the unskilled laborer, chucked out in Pittsburgh, the railroad fare to Chicago, even with the complete certainty—and that's seldom—of getting a steady job at the other end, is a most real and pressing problem.

Aristocrats of Labor

TONNAGE men and eight-hour men, of course, are a different proposition. They are the aristocrats of the plant. Semi-skilled and skilled labor draws from \$8 to \$15 a day. A boss roller in a sheet mill gets \$25 to \$30 a day, the next under him \$15, and the next \$8. Such men are, naturally, fairly well satisfied as a general rule.

In my opinion, employers in the steel industry where the twelve-hour turn still holds, must certainly face a shorter working day. By staggering shifts and by greater headwork given to the direction and division of labor by the foreman, and to the psychological side of leading men—intensely important and almost entirely neglected because largely useless with men wearied by months of long turns—I am convinced that continuity of production, and greater production—yes, and cheaper production—can march forward side by side with shorter hours and improved conditions. A seven-day week, for instance, is, I'm sure, a mistake from every point of view—economic and social and political, for men get too tired to think and then they respond to grouching and become a danger to the country.

"Their life on the outside? Well, in the long hour towns it isn't much. Usually the women have to work hard at home if they want to keep the place clean. Some of them do wonders, I must say. Some of them give up the struggle. Often the men just can't keep clean. It's often physically impossible to get all the dirt off, especially if you come home as they do in the coal camps to a small tin wash-basin and the most primitive toilet arrangements. At some plants and some mines there are shower-baths. There can't be too good bathing facilities, when you think how a man gets to feel who is perpetually grimy and tired. It's psychological, as I have repeated—just as was the way I felt after even one day hunting work in the disguise and with the mannerisms of a real man-out-of-work. At the end of such a day I actually felt, 'Oh, what's the use. That's the river.' Unrest? That's what helps breed it—in many different forms.

"And here's a sidelight before prohibition came in. 'How do you sleep, when you're overtired?' I asked another workman one evening. 'Cinch,' said he, 'just a coupla whiskey-beers. Take two shots and go right

home and you'll sleep like a dog. If you're extra done, take three—or four.' In the saloon he and I entered the ranks were formed three deep. A big shot of whiskey—a long gulp of beer—and men turned around and slouched home. They could sleep. Today, well, today we have prohibition. Near beer and ginger beer will have to do. When hours are shorter they won't need the 'hard stuff' so much.

"At home? Well, for the eight-hour men it's the same as for the rest of us: the long-hour men seem to have little time for it. Men played out physically cannot—if the talk that goes on among them is true—contribute properly even to the normal physical side of successful married life. As for the mental and spiritual sides I'm afraid there's less of it than all of us interested in a better America could wish.

"Yes, I think I got close to the men—with the help of a near-conversational knowledge of several European languages which came in mighty handy. And I come back with a big respect for the brawny arms and hairy, sweaty chest of the husky, foreign-born, unskilled worker who is laboring at the bottom of our present industrial structure in America today. The biggest thing I learned about him is that he's much more like the rest of us than he is unlike us. In the big things he's just human—just about as crazy about his wife and kids as the rest of us under the same conditions, just as anxious to have a steady job which permits him to hold up his head with the rest of the boys, just as anxious not to have to worry too much about the future—and just as anxious to play as fair and square as the rest of us so long as he thinks he has a chance for a fair go at our hands. One thing is sure, we can't dig coal or iron ore or make steel without him. If we can't make a good worker and a fair and reasonable citizen out of him with all the good impulses of his heart to offset the limitations of his untrained hands—if we lose him to the trouble makers who don't want to be square—then I think that we who are proud to call ourselves Americans are a pretty unappreciative, thick-headed and cold-hearted crowd.

"My advice? Meet our men with better understanding and sympathy where they live—on the job. And there on the job—a job made as steady as producers and consumers can make it—means of better trained supervisors and leaders, better tools, proper hours, and worthwhile work with its service to other humans better explained to him—by means of these, we should do our best to show ourselves square, and then treat the worker as tho we believe him to be square until he shows himself to be the contrary. When we do that for him, he'll do the same for us.

Strikes on the Wane

By LOUIS ROTHSCHILD

WITH the beginning of the New Year a general abatement in the industrial unrest of the country is seen by Mr. Hugh L. Kerwin, Director of the Bureau of Mediation and Conciliation of the Department of Labor. His bureau has some thirty-five industrial mediators known officially as Commissioners of Conciliation, scattered through the different sections of the country.

"With the exception of the steel strike," says Mr. Kerwin, "actual strikes throughout the country are few and of minor importance.

Public opinion has been so taken up with this controversy, and with the coal strike, that people do not see that the general situation is improving."

As proof, for the week ended December 29, 1919, a new low record was reached in the number of strikes reported to the Department of Labor for adjustment. Officials there can not recall the time when only two new cases were brought before their attention in one week.

Further statistics show that for the month of December some thirty-one new cases were before the Bureau of Mediation and Conciliation. Comparative figures show that during November 34 cases were taken up; in September 73; in August 91; July 91, and June 94.

The Bureau of Mediation and Conciliation is established in the organic act of the Department of Labor, which authorizes the Secretary of Labor to act as a mediator or to appoint Commissioners of Conciliation whenever in his judgment the interests of industrial peace require it. It has not been the general policy of this very effective branch of the government to intervene in any threatened industrial dispute unless requested to do so either by the employer, the employee, or the public directly affected. This policy has vindicated itself. Often a strike or threatened strike is in process of negotiation through local agencies, and the intervention of a third party, even a representative of the Federal Government would tend to upset pending negotiations.

"During the fiscal year the Department of Labor has assigned Commissioners of Conciliation to 1,780 cases, made up of 278 strikes; 1,113 disputes and threatened strikes, 63 lockouts and 17 walkouts. In only 111 instances have the commissioners failed to make settlement.

The Division of Conciliation has shown a decided advance in the number of cases handled and its increasing effectiveness as a mediating agency. For instance for a part of 1913, when first created, the Division handled 33 strikes or threatened strikes; in 1915, 42; in 1916, 227; in 1917, 378; in 1918, 1,217; and in 1919, the fiscal year just closed, 1,780. In many instances strikes which would have involved thousands of workers engaged on great operations were quietly averted through the efforts of the Commissioners and all this was accomplished with little publicity and the consequent excitement which invariably attended industrial disturbances when heralded in the press.

"In spite of all that has been said and done," our National Conciliator thinks, "a better feeling exists today between the working man and his employer." He concludes, that "while the coming year will not witness a total abatement of the industrial unrest, I believe we shall see a tremendous reduction in the number of actual strikes and lockouts, and that both the Federal and State government adjustment agencies will be busily engaged in harmonizing matters in disputes between employers and employees while the plants remain in operation. As an evidence of our faith in this statement, the Department of Labor is today handling 107 trade disputes involving thousands of workers and of the 107 cases less than 18 are strikes; the others being settled by our commissioners without suspension of operations or loss in production to say nothing of the monetary loss falling upon both workers and managements when a strike is on."

The Country Refuses To Stampede Itself, Insisting That Those Who Cry, "Wolf!" Must Produce the Animal

By ARCHER WALL DOUGLAS

THE constantly asked question as to how long present conditions will continue is in itself an implied recognition of the unstable and artificial situation today. So the only problem is when it will come to its natural end. Also whether that ending will be sudden or gradual.

Logically, and according to the analogies of the past, it should come with a sudden jolt, just as most of us have prophesied, yet which will surprise all the prophets when it actually occurs. In truth, the situation is largely

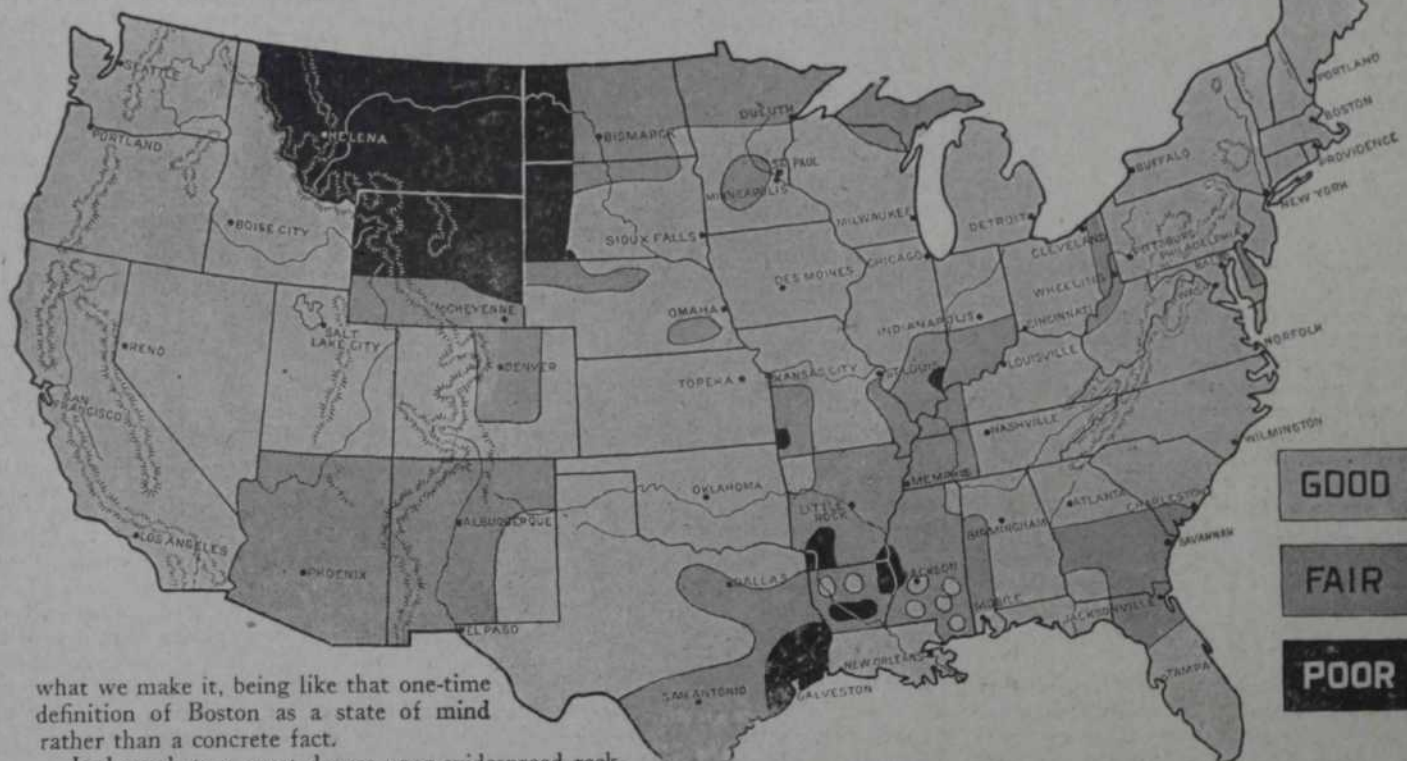
things are forbiddingly imminent. And upon the continuance of that general attitude of thought rests mainly the continuance of present conditions.

We are like unto the people in the days when Noah was building his ark. For we go on buying and selling, marrying and giving in marriage, only we know that the flood is coming, but do not believe it is quite due yet.

Hence it is that the volume of business at the beginning of this

Business Conditions, February 11, 1920

THE map shows at a glance the general business conditions of the country. It is prepared by Mr. Douglas as a weather map of business, and should be so read. The light areas indicate large bank deposits, promising crops, industrial activity, evidence of an economic evolution, creating new needs in home, shop, and farm—in a word, a "high pressure" buying market. The black areas locate reverse conditions. The shaded areas mean half way.



what we make it, being like that one-time definition of Boston as a state of mind rather than a concrete fact.

It depends to a great degree upon widespread reckless buying of everything under the sun at any price as much as upon unquestioned and very sound material factors of great wealth in all natural production and resources. It is obvious therefore that anything which may chill and dampen this buying enthusiasm and optimism as to the immediate future will put a decided crimp in the volume of business, which in turn will mean decreased demand and increased supply with consequently lower prices, and that will act as a further deterrent to buying save for immediate wants and so on all the way down.

We know that there are several things which may bring all this about such as the collapse of overstrained credit, or the bankruptcy of Europe with consequent falling off in our exports. Yet we have lived through so many troubles, weathered so many storms, that we have grown callous to alarms. "Wolf" has been cried so often that we do not believe there is any wolf. Such is the state of the general mind which has been fed up on prophecies of woe and of cataclysms, and yet which does not believe that any of these

new year is in still larger measure, the demand as insatiable, and the supply as meager and unsatisfactory. Production is increasing despite still continuing strikes, shortage of labor, and of material, and great dearth of transportation. We would be in sad plight were it not for the ever-increasing facilities of transportation provided by electric lines and automobile motor cars. Just now the latter are our most immediate hope for an addition to transportation methods, until that time when the railroads once more get in shape.

Cold weather has slowed down building in more northern latitudes. But the general expectation is for greatly increased activity when spring opens with even more pronounced scarcity of building materials and labor. It is difficult to procure, without long waits, even the hardware and other furnishings of a house.

The absolute necessity for more housing for our growing population does not yet seem to have been satisfied.

Sales of "futures" on all spring and summer seasonable goods are in unusual measure while in the way of getting

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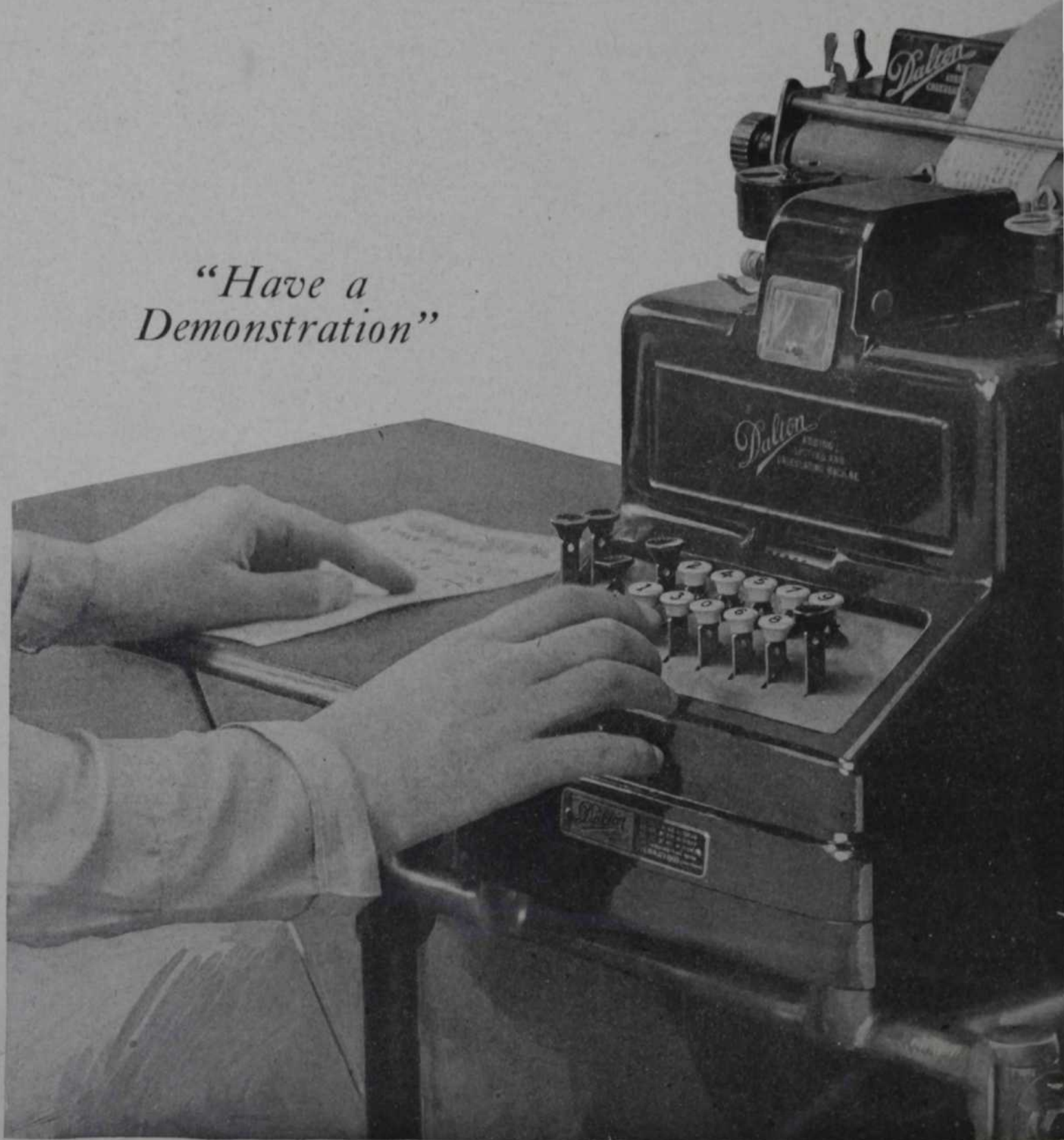


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For this service the Dalton was chosen, being two machines in one; a simpler, faster adding machine which multiplies as easily as it adds and lists each operation.

Large corporations standardize on the Dalton because it is instantly operable by anyone. It has 10 keys only—one for each figure.

It revolutionizes the usual method of adding and listing. Ordinarily, an operator looks at an item, then turns to the machine. The Dalton eliminates this extra eye motion. Column selection is unnecessary.

"Eyes on the work—fingers on the keys" is the slogan of the speedy Dalton Touch Operator. The simple keyboard is covered by one hand. The operator's eyes do not swing back and forth from copy to key-

board—with little practice the adding and listing of figures becomes automatic, requiring no eye-help.

This Dalton method of operation is a distinct advantage, and of vital interest to employers and employees. Not only does the Dalton effect great economies in time and increase the amount of work done, but what is of equal importance, it eliminates the eye-strain and mental fatigue invariably experienced by the operator who has much figure work to do.

And the Dalton calculates—it multiplies easier and with fewer operations than any strictly calculating machine. It adds, subtracts, multiplies, divides, figures fractions, percentage, computes interest, discounts, cross-foots, tabulates and makes out statements.

It figures payrolls, printing the employee's number, computes amounts due and renders a physical audit. It verifies invoices, making every multiplication and addition, figures the discounts, prints the net total.

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goods for next fall and winter it is after the fashion of the children's question: "Will you take them now or wait till you can get them?"

There are many interesting sidelights on the business situation as indicated by symptoms the steady drift of the country in all ways of convenience, comfort, sanitation and education. There are greatly increased sales of bathroom fixtures and electrical devices in all the rural districts. Automobile sundries are in large demand in all sections, and their increase is especially marked in the South. The soda water fountain and prohibition between them have made ice cream freezers one of the necessities of life.

Every labor-saving device for use in the household finds an immediate sale. The old stuff about women loving to do domestic drudgery does not go any more, as it did when Gray wrote how, "The busy housewife plies her evening care."

Northwestern Louisiana is in the throes of an oil boom with definite results and much prospecting. So for the present nothing else counts much there. Nor yet in West Texas, where the flowing wells daily add to the wealth and prosperity of the State. As a sporting proposition, "wildcatting" for oil is the most advanced and interesting known method of gambling with fate.

The agricultural situation is most perplexing—ordinarily with prices of food products still very high, it is a safe inference that a large acreage will be seeded to all farm products next spring. But farmers generally are looking for lower prices for their crops the coming season, and apparently are not so keen about greatly increased yields with farm labor scarce and high priced, and the possibility of lower figures for agricultural commodities. Moreover, they seem to feel that they have not had their full share of the great profits caused by the war, compared with those obtained in industrial life, so there is spreading talk among them of such control of production as was exercised by the cotton growers of the South and which will insure a fair return on their costs of production.

On the other hand, there is a good deal in habit, also in the necessity of raising enough crops for their own purposes, and these factors have been sufficient even in most unfavorable times of low costs for farm products to insure sufficient yields for all our needs. The melting of the protecting snow blanket which has covered most of the winter wheat belt will soon tell us how the growing plant has fared during the bitter cold weather and disclose the extent of damage done by the infesting Hessian fly.

The European situation grows steadily worse, with the depths to which foreign exchange has fallen, the slow industrial recovery and the disintegration in social, economical and political life.

It is evident that a good many supposedly sacred economic beliefs will soon go into the scrap heap—such as the axiom that no nation can ever afford to repudiate its financial obligations. For to a man up a tree it seems that the only question for much of Europe is how it may avoid bankruptcy. Else there remains the other alternative of burdening this and several generations to come with a weight of taxation which they may refuse to bear.

One phase of the European turmoil is reflected here in a manner that much concerns us. It is the sinister and malignant attempt to put into actual practice the theories which hold that the existing frame of social and economic life must first be destroyed so that

a new and fantastic scheme, condemned by actual experience wherever practiced, may usher in the day of absolute brotherhood of man.

Now it is obvious that our economic institutions and methods are in a changing period of constant transition, and in themselves offer no permanent panacea of the ills of industrial life other than can be found in the progress towards better things. Nor is there anything in economic or political life which can be called "sacred" in the sense that it should be free from intelligent and honest criticism.

We have a remarkable constitution, noted and unusual among similar written instruments, but we have found it wise and necessary to amend it some eighteen times since it was first drawn, and a nineteenth amendment is now happily on the way. The Missouri attitude of mind that has to "be shown" is emblematic of the intelligent point of view today, that alike refuses homage to the age-encrusted traditions of the past, or the mad fantasies of the present.

That we are not apprehensive of the ultimate effect upon us, socially, politically and economically, of the welter and turmoil of Europe is due to our consciousness not only of the peril but the further consciousness of the abiding common sense, sanity and sense of humor of the American people.

The Grocer's Boy

By JEROME THOMAS

CHARLES DICKENS and other mid-Victorians were very fond of the tousled-headed grocer's boy. He was pictured generally as over-worked, under-paid and altogether imposed upon, when not imposing upon, but yet a rather likable and essential factor in social and trade economics. In America he very often has the dignity, importance and title of clerk.

Must he go? "Yes," reply several persons who are making startling advances in the retailing of food. One store, that of the Duffy-Powers Company of Rochester, New York is now doing a retail grocery business of about a million dollars a year, without the aid of the grocer's boy or the grocer's clerk. A large number of other boyless and clerkless grocery stores have sprung up in the last few years and are making a success of it.

The Duffy-Powers Company venture has been watched in detail since its inception by marketing specialists of the Government, who declare it to be a success.

It was instituted by John Mench, the present general manager of the Duffy-Powers institution. When, about three years ago, Mench took charge, the store had a very ordinary, unprofitable grocery department. He believed that a department store should always make good on its name and handle practically everything, but should make everything it handles pay.

"I'll sell groceries profitably," he said, not forgetting that food retailing does not always pay in department store operations.

"I'll make groceries pay," he said further, "by increasing volume and cutting expenses of operation."

So, instead of putting his grocery department upstairs on the third or fourth floor where customers would have to hunt for it, he installed it on the first floor within easy access from the street.

To reduce expense to the minimum, he made the grocery a clerkless store, patterned somewhat after the cafeteria restaurant.

Goods were placed in easy hand's reach on

shelves against the walls. White enameled tables were located on the floor. On the shelves were such articles as canned and general package goods; on the tables were such as vegetables and specialties. Neatly designed metal price tags, dangling from the shelves told the customer the price of each article. Large printed signs displayed around the store conveyed general information.

When the customer enters the Duffy-Powers grocery store she gets a basket. Then she goes where she lists—and as far as she likes. She drops her selections into the basket. Then as she passes toward the exit the articles are wrapped, charges are calculated on adding machines, she pays her bill and departs with her supplies. The entire operation makes necessary not a single spoken word between buyer and seller. But if a customer wants to make inquiries, she may put them to stock handlers who also perform the function of floor-walkers.

If the customer insists on her goods being "sent" she is accommodated via the department store's regular delivery service at a specific charge of ten cents a delivery. It costs only five on the average but Mench discourages deliveries and makes comparatively few. No telephonic orders are considered and no charge accounts opened. The system adds self-service to the cash and carry plan of the usual chain grocery store.

Mench advertises, makes "runs" for drawing trade as do other grocers, carries full lines of staple, ordinary, fancy and extra fancy groceries and regulates his "marks up" on the principles prevailing in the retail grocery business. For example, highest profits are added to luxuries or semi-luxuries and lowest to staples or necessities.

During the first month he sold \$19,000 worth of groceries at a handling cost of 8½ per cent. In less than two years the business grew to \$78,000 a month and the costs dropped to 6½ per cent. He is now selling at retail close to a million dollars' worth of groceries a year in a city of about 300,000 population in 3600 square feet of floor space.

High Cost of Retailing

THE average cost of retailing groceries to the old-time corner store is, according to investigations made a year or two ago by the Harvard University School of Business Administration, 16.5 per cent. The stock turn-over is 7 a year, but for those handling fresh meats it is 9 a year. The more efficient stores, the Harvard investigators found, do business at a cost of 13 per cent, and had twelve turn-overs a year.

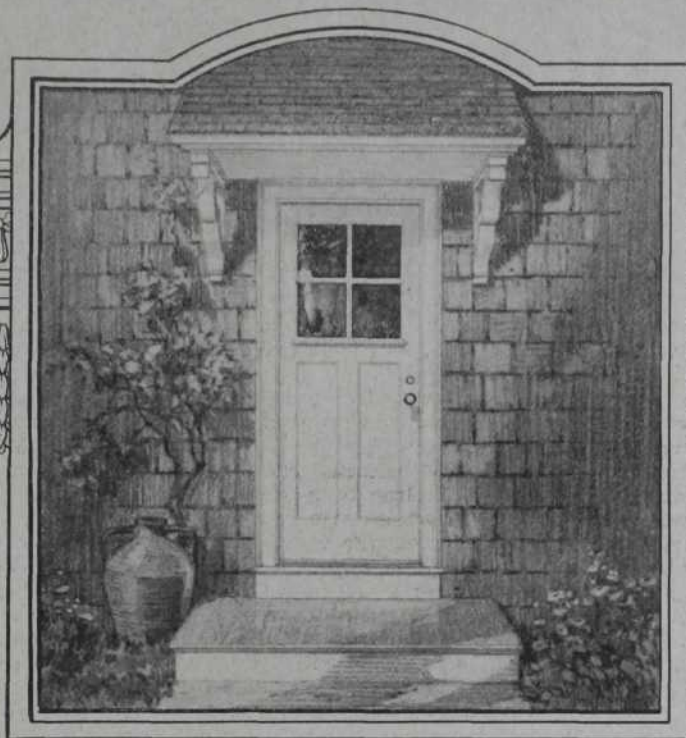
Mench has run his turn-overs up to more than fourteen a year. In fact, he draws interest regularly on a portion of his cash capital, as he turns over a great proportion of his stock in the time allowed for claiming cash discounts on purchases.

He asked several wealthy women why they came to his store.

"So that I may be free to select what I want and not have something I don't want thrust on me by over-eager salesmen," they frequently replied.

Many illiterate women go to the store for supplies. Sometimes they candidly confess their educational shortcomings; then the price tags are read for them. Frequently they try to conceal their ignorance, and get around it by indirect questioning.

By eliminating sales-forces, deliveries, credits and all other "personal element" expenses some operators of self-service retail grocery stores claim to have reduced operating costs to below 5 per cent of gross sales.



How to Convert Industrial Housing into Industrial Homing

To build for one of your men a house with an entrance as beautiful as this is to build him a home. Through this door he will proudly bring the friends he desires to make. He will be happier on both sides of it. He will think long and hard before he can bring himself to give up a habitation he has regarded and treated as his home.

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This door is Western. Curtis Woodwork provides 50 other doors and entrances in which your men will take that personal pride which creates home-feeling. Also there is that rich variety of everything in woodwork from doors

and windows to built-in furniture that is calculated to suit individual tastes. These woodwork designs are suited perfectly to four expressions of modern architecture—Colonial, English, Southern, and Western.

The appeal and hold of Curtis Woodwork comes from the fact that it is a development of standardized woodwork arrived at through co-operation with distinguished architects—Trowbridge & Ackerman of New York.

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The Business Machine

To the average man economics is a dry academic subject. Yet a study of the mechanism of business reveals it a fascinating, living organism that runs itself

By HOMER HOYT

Professor of Economics and Business Administration, Delaware College

IS business a game or a free-for-all fight? Is there a system in the business world, or is there nothing but chaos? It depends upon the point of view.

First, there is the point of view of the man in the street. He sees men hurrying to work, pushing and jostling, each man for himself and the poorhouse take the hindmost. He sees flesh-and-blood men and women swayed by passions, prejudices and superstitions, tossed about in a maelstrom of hopes and fears. Business seems a vast hodgepodge of individual bargaining, personal ties and luck. There is constant strife between consumer and producer, between labor and capital, between rival industries and between different men in the same industry. The machinery of factory and mill grinds away in iron-bound orbits, but no tangible bonds seem to link the separate physical plants together.

To the man in the street it seems that every one does as he pleases. In time of peace there is no law prescribing how men shall cooperate in business, there is no War Industries Board to separate the "essential" sheep from the "non-essential" goats, no Railroad Administration to decide who shall have the right of way. No autocratic power issues its edict as to what shall be produced; no despot issues a list of fixed prices by a fiat of the state. On the contrary, there seems to be complete industrial independence. A manufacturer can devote his plant to the production of aeroplanes or cosmetics, pianos or toothbrushes, as he sees fit. A boy can train himself to be a doctor, lawyer, minister or a carpenter, and he is not doomed by the accident of birth to follow a given profession.

What Keeps It on the Track?

IN fact there seems to be no central power house to direct our business activities so that they will work together as a single unit. Then why don't we run off the track completely? Why doesn't our industrial system fly to pieces? If men are free to do as they please, why don't a vast majority of them suddenly decide to be farmers, leaving the city work-shops empty? What keeps our labor force distributed so that each industry is properly manned? How is the stream of new capital piped through our industrial system so that each business can get its share and so that the entire mechanism of industry does not break down for the lack of one vital wheel?

For an answer we must take a bird's-eye view of the world of commerce. A philosopher of business gazing at the throngs of New York City from an aeroplane would see many evidences of order in the business world. The erratic human element would be dwarfed and he would see only the business impulses of masses of men. He would see definite currents of humanity moving along grooved paths, some shunted off into brokers' offices, and others switched off into stores, shops and factories with almost auto-

matic precision. The man who on the level of the street appeared to be a detached and independent organism is now seen to be playing as definite a position in the game of business as if he were following the orders of a commanding officer.

Now, if our business philosopher should fly in his aeroplane to a height where he could see the whole earth in one panoramic view, the industrial life of this planet would appear to him to be a gigantic machine, with one great power house furnishing energy to its many complicated parts.

The Different Parts

ONE part consists of a network of plows and harrows, and it is scratching the surface of the earth for its crops of wheat, corn and cotton. Another part consists of shafts and derricks, and it is digging into the earth for coal and iron. Still another part is made up of saw-mill machinery busily engaged in converting trees into lumber. From these so-called "extractive" parts of the machine a stream of raw materials is continually being poured out into a moving chain of bucket-like conveyors. The conveying parts of the mechanism are of various patterns; some are trains, others are ships, still others are wagons and caravans. By means of these conveying parts the tons of the raw products of the earth's crust are carried to so-called industrial centers where furnace fires and factory smoke indicate unusual activity. In the baffling complexities of these wheels and gears the raw products are ground up, mixed and fused into a myriad different shapes, until at last the end of the productive process is reached and there issues forth from the great hoppers a steady volume of bread, clothing and automobiles.

The work of the machine is not completed, however, until the goods that have been produced are distributed among the masses of consumers. So the great conveyors that come to the industrial centers filled with raw materials go back to the various ends of the earth laden with a varied assortment of finished products. Thus a wheat-growing community on the prairies of North Dakota or the plains of Argentina send a great con-

veyor to market laden with wheat, and it comes back to them filled with tractors, plows, harrows, clothing, telephones, furniture, windmills, automobiles and all the other articles necessary for a well-rounded life. On the other hand, the industrial centers send out the giant buckets loaded with manufactured products and they await their return for their cargoes of wheat, eggs, meat, milk, hides and wool. Thus do the various parts of the earth's industrial mechanism sustain and support each other.

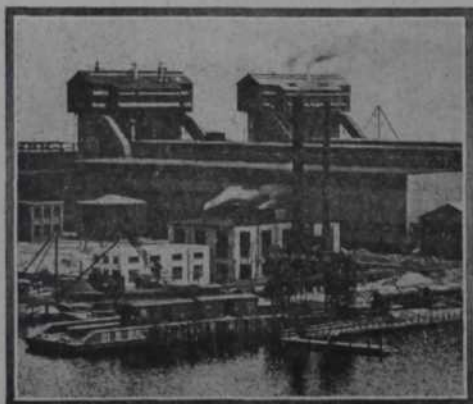
What is the central power house that drives this tremendous world machine? It is nothing but the desire of every man to make a profit, or, as it is often called, private initiative. Without any direction from an outside authority each man is led "by an invisible hand" to cooperate with his fellows in a world-wide team-play. "The invisible hand" is the business instinct of a man which prompts him to seek the branch of industry that pays the highest profit and that also causes him to abandon a losing enterprise.

Here's the Balance Wheel

THE result of every one following this instinct is to distribute labor and capital throughout the various industries of the world so that all of the basic wants of man are provided for. For instance, suppose there is a great shortage of wheat. Under our present organization of society this shortage will at once be indicated by a rise in the price of wheat. Higher wheat prices mean more profit in wheat-growing, and farmers will immediately be attracted to wheat production. The flow of labor and capital to the wheat sections will increase the production of wheat to the point where there is enough to satisfy the hunger for wheat.

But why is wheat production not carried to excess? Why is the market not glutted with wheat? For the simple reason that when too much wheat is produced the price of wheat falls, and the profits of growing wheat decline likewise. The farmers consequently restrict the acreage planted to wheat, with the result that labor and capital power is automatically shut off from wheat production and turned to other industries.

Thus the world business machine automatically maintains a proper balance between all of its intricately adjusted parts by means of price and profit levels, and no one man or board of men seems to be skilled enough in the technique of the machine to run it as well as it will run itself. In fact, so delicately balanced are the wheels of our present business society that the attempts of the Government to regulate it may stop the movement of the works altogether. No one man or board of men seems to be skilled enough in the technique of the machine to run it as well as it will run itself. For the business machine has almost a magical capacity for correcting its own deficiencies.



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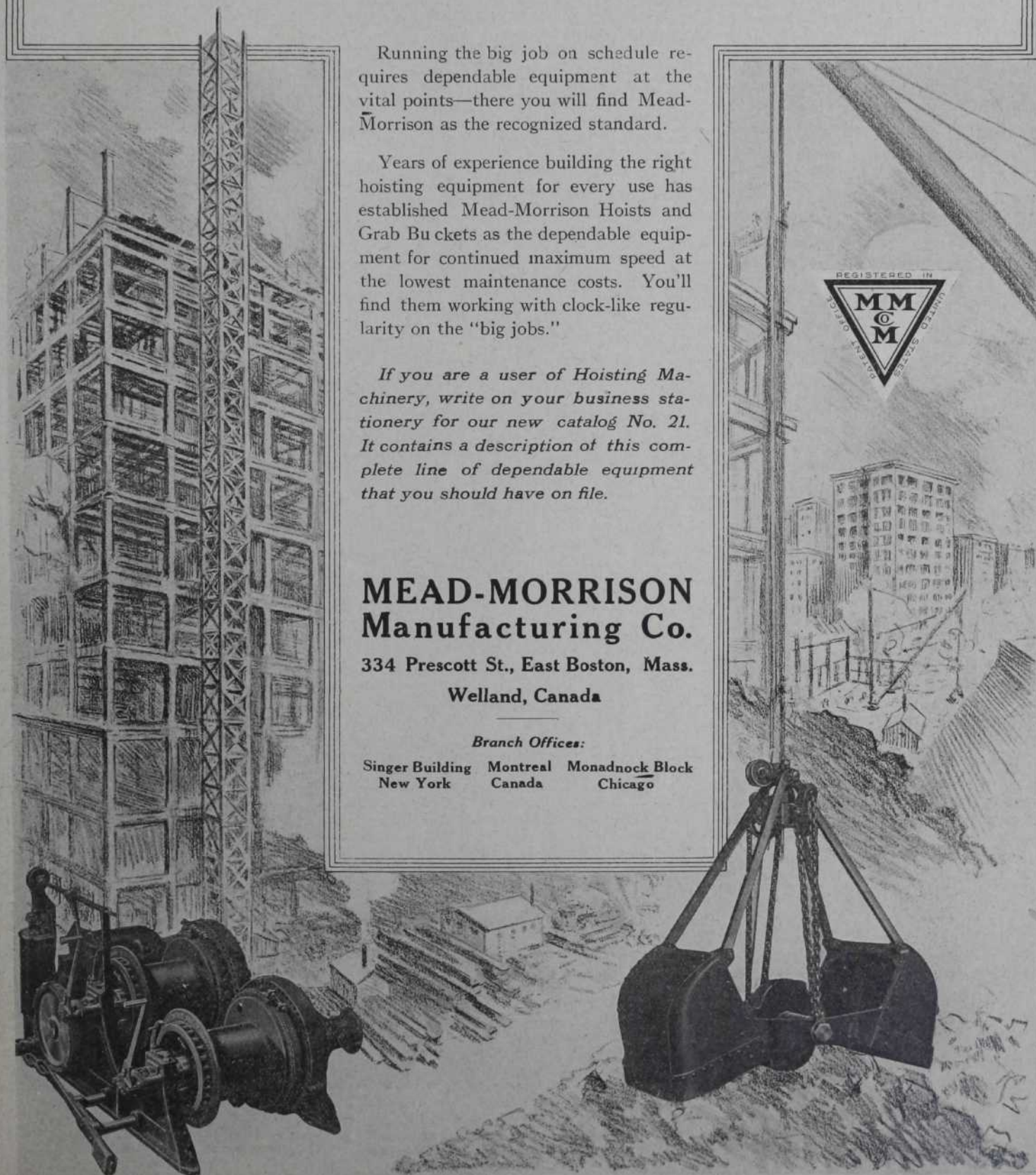
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The Little Brother Abroad

American chambers of commerce are springing up all over the world; what should our business men expect when they dig down into their jeans to help support these oversea organizations?

By J. E. FITZGERALD

WHEN an American chamber of commerce in a foreign country charges the American business man with non-support, and the business man replies with a counter complaint of neglect of duty, there is a chance for an exchange of pot-and-kettle compliments. But all chambers of commerce are not alike, and business men differ, despite the frequent use of the "average business man" as a pinch-hitter in an argument.

"If I am asked to become a member of an American chamber of commerce in some other country," said one manufacturer of the doubting Thomas type, "I look at it as a business proposition. I want to satisfy myself as to the field for such an association, the men in it and back of it, how it is organized, what it actually can do. I want to be certain that the country's trade with the United States justifies the existence of a chamber of commerce to promote American interests. I want assurance that the enthusiasm of the men in the organization hasn't run away with their judgment, and that they will stay to the finish with what they have started. I want to know that the chamber of commerce is and will remain American in spirit and policy; I want it American enough to protect and promote American interests, but broad enough to cultivate reciprocal trade relations.

"Above all, I want evidence that it has a definite program for service on which other American business men as well as myself can rely, and that performance will follow promise."

They Didn't Always Deliver

THIS doubting Thomas conceded that his experience had not always been unsatisfactory.

"However, I am downright skeptical about some," he continued. "Either they have no definite program, or, if they do, they haven't given me evidence that they are carrying it out. I don't join such organizations just to be patriotic, and so far as I'm concerned a star-spangled-banner explanation can't take the place of evidence of real service."

Most American chambers of commerce in foreign lands are a long way off, and when a business man hears of a new one or receives a call for help from an old organization, he wonders if it's all worth while. Lacking definite information as to their work, he is rather prone to believe that old General Enthusiasm is in the saddle again, traveling fast and with no definite destination in view. To complicate matters, not all these chambers of commerce can qualify as membership salesmen.

"Why don't they talk more business and less patriotism?" asked a big cotton-goods exporter, after reading a letter soliciting his support. "I'm perfectly willing to be convinced, but it will take a business argument to do it."

Undoubtedly the American business man is just as patriotic today as at any time during

the war, but he has become a wee bit weary of the *sauce patriotique* with which many projects have been served. He wants a taste of real business without trimmings, just as it came to him in the old days. Hence his desire for service argument and his readiness to listen to it.

An ardent worker in a new American organization, back home for a visit, became somewhat restive under the constant talk of service that greeted him everywhere. He willingly agreed that it was a good thing to talk about, but insisted that some little consideration ought to be conceded to national interest.

Cart and Horse Must Cooperate

"WHETHER it is the business man or the chamber of commerce that is putting the cart before the horse, I don't care to argue; but one thing is certain, they've got to get together if they expect to travel anywhere. Perhaps the trouble could be straightened out satisfactorily if each of them knew a little more about the other. Chamber of commerce success depends on two things—men and money. If the people back home, after satisfying themselves as to the character of the men who are running an organization, would join up and pay their dues for the high privilege of promoting the American idea in foreign parts, I believe success would be assured, both for the organization and the national interests it typifies and for the man who wants concrete service of the sort that will show dollars-and-cents dividends.

"It's up to the American organization abroad to begin by showing its plans are in the hands of real American business men, who when they have the organization going as a promoter of national interests will see that it also yields specific service to individual Americans. Anyway, when a business man insists on demonstration of ability to deliver goods as a prerequisite to his support, he ought to remember that an American chamber of commerce in South America or China does not require a confirmed bank credit in its favor before trying to assist any and all American interests in their trade problems."

The Biggest Difficulty

THIS man is the representative of a large and successful exporting house, has spent much time abroad, and knows the foreign field first hand. He is certain that there would be no working at cross purposes if the people back home understood the real situation. The biggest difficulty, he stated, is the fact that the average American business colony in a foreign city is small, very small indeed, compared with those of other nationalities. Consequently the colony itself can not finance an organization that will amount to much. There are only two places to get needed money—the people back home and the business men of the foreign country who happen to be interested in American trade.

There is no denying that support from the United States has been given sparingly and often grudgingly. In fact, some American chambers of commerce have recognized this when they organized and have therefore granted active membership to citizens of other countries. This does not mean that they are not American, for provision can always be made to safeguard American control; but it is discouraging and opens the organizations to some criticism.

If our business men want American chambers of commerce abroad to be fully and completely American, they will have to provide the funds to make them financially independent.

It has taken a long time to convince some men in this country of the value of chambers of commerce. Some people do not really want to be convinced, for they are just naturally disinclined to work with others. But another important factor is the type of commercial organization that expects a receipt for dues, with possibly an occasional banquet, to bridge the gap between the annual appeals for membership renewals. Such organizations can make a dozen skeptics grow where only one grew before.

There Are Chambers—and Chambers

OUR foreign chambers of commerce can not be lumped together and all given the same label. Wholesale praise is as unjustified as wholesale criticism. Some have a background of long and successful work; others are just starting out on their careers. What each asks, and has a right to expect, is fair consideration of its claims for support.

"Is it our fault if you don't make use of the service we offer?" asks one American chamber of commerce in a letter to its members. "What do you think we are doing with the money you pay for membership, if not using it to provide the service you require?"

This inquiry may explain why some business men do not get service when they become members of American chambers of commerce abroad: they don't get it because they don't ask for it. They put their contribution in the slot and expect the machine forthwith to deliver the goods, even though the sign admonishes them to "Push lever."

"I have no excuse to offer for the chamber of commerce that neither furnishes service nor presents definite plans," said a manufacturer who has done much to further export trade work, and who is keenly interested in commercial organization work. "Every organization from the very day it is formed can perform some service of distinct value to American business, and if it neglects this opportunity and has only a vague and misty idea of its future usefulness it deserves little support and gets what it deserves. At the same time I have no patience with the business man who fails to utilize the service for which he is paying and then criticizes the organization for doing nothing for him."



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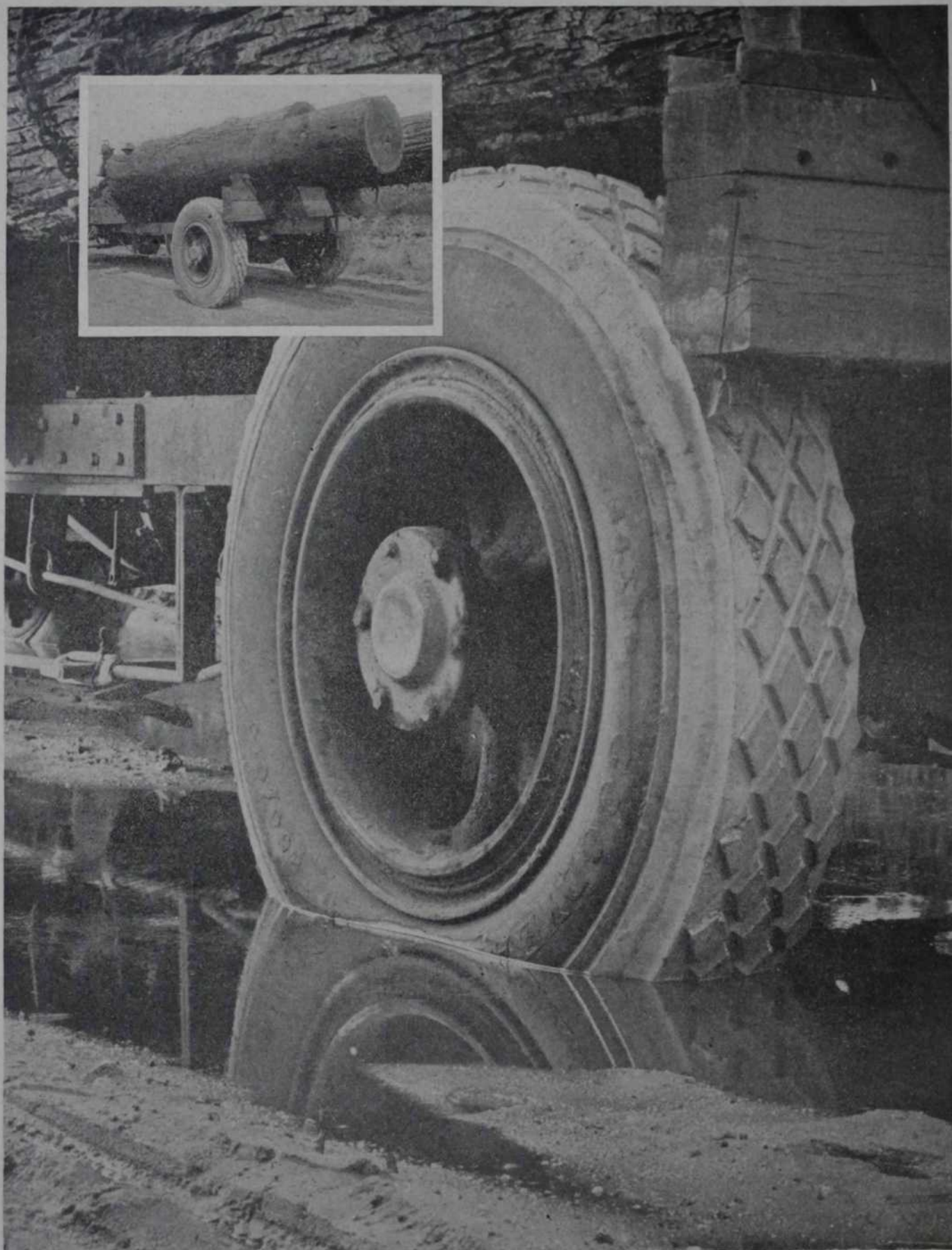


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Un-retouched photographs showing Goodyear Cord Tires in heavy trucking service for the Case-Fowler Company, Macon, Ga.

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GOODYEAR

Pioneering Progress with Pneumatics

IN explaining why he is arranging to replace all the remaining solid tires on his motor trucks with pneumatics, Mr. Henry Fowler, Treasurer of the Case-Fowler Lumber Co., Macon, Ga., writes: "Our trucks on Goodyear Cord Tires carry capacity loads of logs through mud and sand usually impassable to our solid-tired trucks. Indeed, the trucks on the Goodyear Cords frequently have pulled the solid-tired trucks out of mire and sand in which they have become stuck. Your pneumatics not only reduce fuel consumption and upkeep generally while increasing our daily trips, but they are particularly fitted for our rough work by reason of their downright toughness."

WHILE the business man quoted above and many others have been demonstrating the advantages of the perfected pneumatic truck tire, Goodyear has developed proof of an extraordinary nature.

Since April 9, 1917, the Akron-to-Boston Express has been running night and day carrying Goodyear freight on pneumatic tires over its 1,500-mile highway circuit.

More recently the Akron-to-Cleveland Freight Line and the Goodyear Heights Busses have been adding to the evidence of cord pneumatic efficiency for all-year transport.

These extensive undertakings have sprung from the belief of Goodyear engineers in the eventual widespread adoption of pneumatics to free motor trucks of solid tire handicaps.

They have followed the original development of the Goodyear Cord construction, begun years ago, on which the whole practicability and every virtue of pneumatic truck tires is based.

They have been the means of exhaustive tests of Goodyear Cord Tires for trucks, also Tubes, Rims, Repair Materials, and others' engine pumps and air gauges, made in collaboration with Goodyear engineers.

Now the cost data, developed by these pioneer fleets of pneumatic-shod highway trucks and busses, can be obtained by writing to The Goodyear Tire & Rubber Company, at Akron, Ohio.



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Little Stories of the Nation's Business

High lights in the swiftly moving drama of American Business finding itself after the shock of peace

Industry

THE value of construction in 151 cities last year was \$1,281,000,000, which is three times that of 1918 and 80 per cent in excess of that of 1917, also 20 per cent in excess of the hitherto record year, 1916, since when, however, values of building material have gained 80 per cent while wages in some cases have doubled. Only 7 cities of the 151 show a smaller value of building than in 1918.

Housing conditions in and around Charleston, W. Va., have become so acute that a corporation with a capital of \$500,000 has been formed by the Chambers of Commerce of Charleston and St. Albans to provide homes for 1,500 additional Government employees.

Charters filed during 1919 for new enterprises under the laws of principal states, with an authorized capital of \$100,000 or over, involved \$12,677,229,600, which is 414 per cent higher than figures for 1918.

New enterprises in the petroleum industry during 1919 involved the formation in the United States of 1,629 companies with an aggregate authorized capitalization of \$3,786,006,000.

Preliminary estimates made by the United States Geological Survey indicate that the production of petroleum in the United States in 1919 was approximately 376,000,000 barrels, an increase of 20,000,000 barrels over the production of 1918.

More than 18,000 disabled men are taking courses offered by the Federal Board of Vocational Training. Of these 5,079 are electing trade and industrial training; 4,839 business and commercial training; 2,923 pre-vocational training; 2,805 agricultural training, and 2,593 professional training.

A group of American and Mexican financiers have organized a \$6,000,000 company for the establishment of a sugar refinery in the Mexican State of Tamaulipas.

The National Automobile Chamber of Commerce announces that the production of motor vehicles in 1919 amounted to 1,891,929, the wholesale value of which was \$1,807,594,580.

The Forest Service of the United States Department of Agriculture has recently issued a permit to a Portland, Oreg., turpentine company to extract pitch from 160 acres of Douglas fir on the Umpqua National Forest. This company is pioneering in a new industry, which, if successful, will increase the value of Douglas fir and also materially add to the country's waning supply of turpentine.

When the entire take of sealskins for the calendar year 1918 shall have been dressed, dyed, machined and sold, the net revenue to the government will be in excess of \$2,500,000. To this should be added an approximate net revenue of \$123,000 for the sale of fox skins, which total will more than pay all expenses of every nature connected with the administration of the Pribilof Islands, the Alaska salmon fisheries and the care of minor fur-bearing animals of Alaska for a period of 12 years.

THE importance of these paragraphs is of inverse ratio to their length. They are culled from the business news of the month, and are boiled down to the very bone to make quick and easy reading. Among them are facts that can be applied directly to the opportunities and problems of your business.—The Editor.

Finance

THE Treasury Department has authorized the floatation in the United States of an issue of \$25,000,000 in Italian bonds, which is the first installment of a complete issue of \$100,000,000 worth. The bonds will mature in five years and bear interest at the rate of 6½ per cent.

Gold amounting to \$12,110,147 was exported from New York in November, 1919. Exports of gold for the same month, 1918, amounted to \$221,812.

The Comptroller of the Currency reports an unprecedented increase of approximately \$1,000,000,000 in the resources of national banks for the year. In November, 1919, national bank resources approximated \$22,500,000,000. Increases in deposits and total assets are scattered widely throughout the country.

United States Life Insurance companies hold a trifle more than a third of the ordinary life insurance in force in Canada. The proportion is steadily rising in favor of American companies.

The Federal Reserve Board announces the total imports of gold into the United States for the calendar year 1919 of \$76,534,046. The exports for the same period were \$368,144,545.

Japan received by far the largest amount of the precious metal sent out of this country during the year, the amount being \$94,114,189. Argentina came second with \$56,560,000; China third with \$40,045,266.

The United States sent to British India in the last year \$109,180,718 worth of silver, a much larger amount than to any other country.

Foreign

ARGENTINA is negotiating a loan by the Bank of Spain for \$100,000,000, the money to be used to build in Spanish shipyards a fleet of merchant vessels for Argentina.

The Japanese Government is contemplating the expenditure of 20,000,000 yen in the coming year in subsidiaries for the development of silk industries.

The Canadian customs revenue in 1919 gained \$14,000,000, chiefly from the imports of luxuries.

A \$5,000,000 company has been organized in Canada to centralize the sale of fine Canadian furs. Montreal has been selected as the center for auctions.

The Belgian Cabinet has approved the floating of a popular loan of 2,500,000,000 francs, payable in 75 years, at 5 per cent.

Argentina has offered \$200,000,000 additional credit without collateral to Great Britain, Italy and France.

A restoration of Austria's various industries to normal condition will require the expenditure of \$700,000,000.

The Hamburger *Fremdenblatt* reports, reserving its judgment as to the truth of the assertion, that a large German-American syndicate has been formed, with branches in New York and Hamburg, for the purpose of supplying raw materials to Germany. It is said that the syndicate has the support of the leading banks and financial institutions in America and Germany, and will ultimately have several hundred million dollars at its disposal.

The Netherlands Trading Association, with the assistance of one or two other Dutch banks, has reached an agreement with a group of German manufacturers for the granting of a revolving credit of \$24,000,000 for the sale to Germany of raw materials such as cotton, copper and wool.

The Italian government is spending more than \$300,000,000 in the organization of the Italian railways. New tracks are being laid everywhere, according to the needs of the various provinces. Factories which, during the war, turned out guns and ammunition have already transformed their plants and are making locomotives, rolling stock, rails and other equipment.

Overseas Trade

IMPORTATIONS of New Zealand, with a population of 1,200,000, amounted in 1918 to \$117,934,488—almost \$100 per capita. Twenty-one per cent of these imports were from the United States.

Imports of rice into the United States for the fiscal year ending June, 1919, were 329,894,454, pounds, valued at \$16,668,766, against shipments valued at \$14,783,018 in 1918.

Forty thousand dollars worth of gold coin has been withdrawn from the Sub-Treasury for shipment to Ceylon. Thirty thousand dollars has also been shipped in this manner to South America.

According to the Collector of the Port of New York, commerce passing through that port last year, including both exports and imports, reached the unprecedented total of \$5,505,050,124 as compared with a total valuation of \$3,811,756,039 in the preceding year.

The War Finance Corporation has announced that four loans totalling \$17,000,000 will soon be made to commercial interests which will employ the money in exporting necessary materials to stricken nations.

Greater shipments of various commodities from the United States to the markets of China and Argentina are necessary for the improvement of adverse balances of trade against this country. Unless export shipments are increased further it will be necessary to make heavy inroads upon reserves of gold held here to liquidate the adverse balance of trade.

The Managing Director of the War Finance Corporation announces that not only have we loaned from the United States Government out of funds collected from Liberty Loans and taxes \$2,365,000,000, but we have sold (practically all of it on credit) \$700,000,000 worth of our goods—food, supplies, machinery and motor vehicles—in Europe.

Chinese and American capitalists have recently organized the Commercial and Industrial Bank of China with a capital of \$10,000,000, half of which is paid up.

The closing year witnesses a fabulous growth of American foreign commerce, according to the Secretary of Commerce. Our trade balance for 1919 will be approximately \$4,000,000,000. A great fleet of new merchant ships, new industries, new sources of supply and increased knowledge of our own resources are some of the assets gained from our war experience with which we are fortified to meet new conditions said the Secretary in a recent interview.

The people of the United States are now consuming one half of the world's coffee crop and paying greater sums for it than ever before. Imports for the ten months ending October, 1919 approximate 1,140,000,000 pounds, against 940,000,000 in the same months of last year.

Agriculture

THE Secretary of Agriculture, in his annual report for 1919, expresses the opinion that among other steps which should be taken are the following:

(1) The building up, primarily under State law, of a system of personal credit unions, especially for the benefit of farmers whose financial status and scale of operations make it difficult for them to secure accommodations through the ordinary channels.

(2) Expansion of existing facilities and activities for aiding farmers in marketing, including especially the extension of the market news and food products inspection services, and the assignment of trained market specialists to each State, in coöperation with the State authorities, to stimulate coöperative enterprises and to make helpful suggestions as to plans and methods.

(3) Continuation of the present policy of Federal participation in road building, through the appropriation, if the financial condition of the Nation permits it, of \$100,000,000 for at least each of the four years beginning with the fiscal year 1922, to be expended under the terms of existing legislation.

(4) The regulation and control of stockyards and packing houses.

(5) Federal legislation further to protect consumers against misbranded, adulterated, and worthless feeds entering into interstate commerce.

(6) Similar legislation dealing with fertilizers.

(7) Increased support by States for rural schools and more definite direction of their instruction along lines related to rural problems and conditions.

(8) Legislation for the improvement of the sanitary conditions in rural districts and for the building up of the needed hospital and medical facilities.

A market for horses of heavy draft type is opening up in France. Two hundred horses

are required at once. Shipping firms say the best method is to ship direct to a sales stable in Normandy and sell as the demand arises.

Big-game animals are increasing on the four big-game reservations under control of the United States Department of Agriculture. The report of the Chief of the Bureau of Biological Survey shows a total of 368 bison, 274 elk, 54 antelope, and 21 deer, an increase in each species over the number reported last year.

Regeneration of the forests of this country on a more productive basis is the most important measure for perpetuating the paper industry in the United States, according to the Forest Service, United States Department of Agriculture. In the past forests have been cut extravagantly and little provision has been made for future growth. In the future, operations should be conducted so as to secure an increasing reproduction of species available for lumber and pulp.

Shipping

THE Southern Transportation Company was the successful bidder for 28 wooden barges of 2,500 deadweight tons offered for sale by the United States Shipping Board. The sale brought \$1,712,200.

Our activities in shipbuilding, together with the taking over of German and Austrian cargo tonnage have given the United States 8,700,917 deadweight tons of steel ships, 1,799,123 deadweight tons of wooden ships, 63,000 deadweight tons of composite and 10,000 tons of concrete ships, a total tonnage of 10,573,040 deadweight, excluding the 3,661,767 tons to be completed in 1920.

The United States has lost, reconveyed to former owners or sold 194 ships representing 1,274,371 deadweight tonnage. Some of the ships now in operation we will sell for use by foreign flags, but the fleet as a whole, representing 1688 ships of 9,298,669 deadweight tons, will be operated under the United States flag as a permanent merchant marine, and will be available to serve the trade routes to South America and other countries.

Tentative plans for the development of a passenger service from the Pacific Coast Ports call for the establishment of three lines. These will be to Japan, China and the Philippines with weekly sailings, to Japan, China and Vladivostok with weekly sailings; and to the Philippines, the Straits Settlements and India, sailing every three weeks.

Lloyd's Register of the most recent date shows Great Britain to be in the lead among the world's shipbuilders. In the last nine months of 1919, 757 merchant vessels, totaling 2,994,000 tons, were under construction.

Labor

THE United Mine Workers of America have compiled for the Federal Coal Commission a report giving the average wage of bituminous coal miners as less than \$75 a month for 1913-18.

An analysis of the figures compiled by the Women's Service Section of the Railroad Administration shows continued employment of women in the railroad service with but few exceptions. The total number of women in the railroad service on October 1, 1919, was 81,803, compared with the maximum employed during the war—101,785.

A London dispatch announces that during eleven months of 1919 more than 40,000,000 working days were lost through strikes, compared with 5,000,000 in 1918.

The percentage of families having incomes from the earnings of the wife varies widely in the different cities. The highest percentage is found in Johnstown, N. Y. This high percentage is accounted for by the fact that glove making is a leading industry of the town, and furnishes work which women can do at home.

A report on teachers' salaries and salary schedules shows that according to the union scale of wages operative in 1918 in a geographical district in which Cleveland and Chicago were selected as representative industrial cities, head bakers received \$365 more a year than the elementary teachers of the same district, blacksmiths \$890 more, and machinists \$1,038 more.

One textile factory in which the 5-day week was tried reported such a remarkable falling off in output upon the adoption of this system that a 6-day week was adopted with better results. Generally speaking, this method of reducing hours does not seem to be attractive to either employers or workers.

Through orders recently issued by the Industrial Welfare Commission of the State of Oregon, no woman in the State shall be employed as messenger in the telegraph, telephone or public messenger service, nor as elevator operators before 7 a. m. and after 11 p. m.

According to figures compiled by the Bureau of Labor Statistics, the retail cost of 22 articles of food in December was the highest ever attained. It was 2.6 per cent higher than in November, 5 per cent higher than in December, 1918, and 89 per cent higher than in December, 1913.

Transportation

THE Bureau of Railway Statistics, Chicago, tells what became of every dollar received by the railroads in 1918. Here is the division: Labor, 54.06 cents; material and supplies, 14.4 cents; fuel and locomotive supplies, 11.11 cents; interest, 8.74 cents; taxes, 3.87 cents; rent of leased lines, 2.59 cents; loss and damage, 2.02 cents; betterments, .56 cents; available for dividends, reserve and surplus, 2.65 cents. Labor's share in the dollar increased approximately 40 per cent since 1916. The amount for betterments was cut in two, and the amount available for dividends, reserve and surplus was cut from 11.78 cents to 2.65 cents.

According to the Railroad Administration, there has been a reduction of less than 20 per cent in the number of women employed on the railroads of America since the peak days of the war period. The highest total in wartime was 101,785. This was reduced to 81,803 on October 1, 1919. As there has been a decrease of but six-tenths of 1 per cent as against the previous quarter, the October figures may be accepted as approaching the minimum.

Charles A. Prouty having resigned as Director of the division of accounting of the Railroad Administration becomes an advisory member of the Director General's staff and as such will give attention to the larger accounting problems of the Administration and particularly to the accounting features of the maintenance question under the standard contract.

Salem has burned its last witch



Frame dwelling, old Salem—
Inflammable Roof



Fire-safe dwelling, New Salem—
Johns-Manville Asbestos Roofed

ONLY in the last decade, did Salem burn its last witch, for the witch we mean is the dangerous, inflammable roof, really more of a menace to the welfare of any community than all the broom-stick riding hags of tradition.

The old witch was an imaginary menace. The roof that can take fire from the slightest spark is a real, ever present danger.

In the big fire of 1914 Salem burned up these witches, her last witches. Great as was that disaster it at least brought one benefit, it consumed the hazard by which it had been bred.

A new Salem has grown up, a safer community, with new dwellings, industrial and business buildings of modern, fire-safe construction, including many fire-safe roofs of Johns-Manville Asbestos.

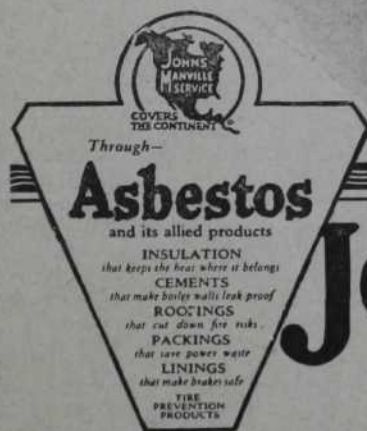
A building covered by a Johns-Manville Asbestos roof is safe from communicated fire. It is fortified where ordinarily it is most vulnerable—and not only

from fire, but from weather and time as well.

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Serves in Conservation

Money and the Railroad Mare

The old nag has a proud record of service behind her and she is still faithful but she must have financial nourishment to meet the increasing demands on her powers

By FRANK H. FAYANT

Assistant to the Chairman, Association of Railway Executives

THE traffic hauled on American railroads is now three times as great as it was twenty years ago. In the three months of the 1919 harvest movement—despite nation-wide industrial unrest—the traffic equalled that of the whole year 1898.

Ton-miles are an accurate index of national wealth production, because nearly all the products of industry are carried on the rails. Since 1898 the output of pig iron—that unflinching barometer of prosperity—has also tripled. Freight ton-miles first passed 100 billions a year in 1898; they crossed 200 billion in 1906, and 300 billion in 1913. The 400 billion mark was topped in 1918.

Is railroad traffic to continue this amazing growth? It must, if our industry keeps on expanding; and, looking into the future beyond the industrial unrest of the moment, it is plain that this country is going to keep right on growing.

But transportation is the limiting factor in production. The country can grow only as fast as the railroads grow. It is the capacity of the railroads to haul raw materials and finished products that determines the final productive capacity of our industries. Other means of transportation, like the gasoline motor truck and perhaps the airplane, will supplement the railroads; but for many years the great bulk of tonnage will be handled by steam and electric locomotives over steel rails.

In a country of great distances, like ours, with the principal sources of raw materials far removed from the great centers of consumption, adequate and efficient transportation is a prime necessity. The very life of the nation depends on transportation, and the chief concern of the public in the railroad problem is that transportation should be adequate and efficient. All other phases of the problem are secondary.

The True Test

ONE test of the efficiency of a system of transportation is the cost of the service. It has often been said that the great advantage of individual initiative in industry is that the ability of the citizen is turned toward the reduction of the cost of production. The development of American railroads is a striking illustration of the truth of this. In no other great country of the world is transportation furnished at so low a cost.

At a time like this when there is a great deal of industry as to the causes of the great rise in prices, it is natural to stress the blame on particular things. Some of our public men have been asserting that the cost of transportation is a very large factor in prices, and that increases in freight rates have greatly added to the cost of living.



Transportation is the limiting factor in our production.

But this is not true. Compared with the cost of other goods and services today, railroad transportation is the cheapest thing the public buys. Never in the history of American railroads has transportation been relatively so cheap as it is today. It is being sold at less than the cost of production, when we fairly take into account all the elements of cost.

Even with a considerable advance in rates to put the railroads on a self-sustaining basis when they return to the control of their owners, transportation will still be relatively a small factor in the cost of living. Let me cite one or two illustrations of the present relation between freight rates and the cost of living.

Before the war a suit of clothing from one of the Chicago factories, selling for \$30 in a retail shop—was carried from Chicago to Los Angeles for 16½ cents. The suit of clothing now retails at \$50 or \$60, but the freight rate on that 2200-mile haul has advanced only 5½ cents while the price of the suit has gone up \$20 or \$30.

Take shoes for another example: New England shoes are shipped from Boston to Florida at a cost of 5 2/3 cents per pair. The freight rate now is only one cent higher than before the war, but the \$5 pair of shoes

sells for \$10. It is plain that other factors than increased freight are responsible for the increased cost of shoes.

The railroads are carrying beef from Chicago to New York for a charge of about two-thirds of a cent a pound.

Taking account of both freight and passenger service, we find that in 1900 the railroads hauled 186,000 traffic units (ton-miles plus passenger-miles) for each employee. By 1917, the last year of private operation, that 186,000 had been increased to 296,000.

The story of the increasing efficiency of American railroads since 1900 can be briefly told in these figures:

	Per cent
Ton-miles increased	190
Passenger-miles increased	170
Trackage increased	56
Cars and engines increased	75
Workers increased	85
Output per worker increased	60
Average trainload increased	130

The traffic, as these figures show, has been increasing more than three times as fast as the trackage, more than twice as fast as the equipment, and more than twice as fast as the number of workers. But the far-sighted investment of new capital in increasing the efficiency of the machine has enabled the railroads to increase the density of traffic and reduce the amount of labor required to move the traffic.

Who has received the benefit of this increase in the productive efficiency of railroads? During the years prior to our entrance into the war, freight rates were steadily declining; the public was getting more and better service at less and less cost, although during that period commodity prices were steadily rising, so that even with a stationary money price for railroad transportation, it was becoming cheaper and cheaper relatively to all other things produced.

Traffic Steadily Increasing

THE increase in the rail borne traffic of the country is due both to the increase in population and to the steady increase in the national production per capita. In 1900 the railroads moved 1860 ton-miles for each inhabitant. In 1918 they moved 3850. The railroads are doing for each inhabitant more than twice as much work as they did a few years ago.

While our population is growing, our production is increasing much faster than the population. And this country is going to keep right on growing. Our industrial production is going to keep right on increasing, and the time is not so far distant when railroad traffic will be twice what it is today.

But the limit to the productive capacity of this country is the limit set by the capacity of the railroads to haul the products of our

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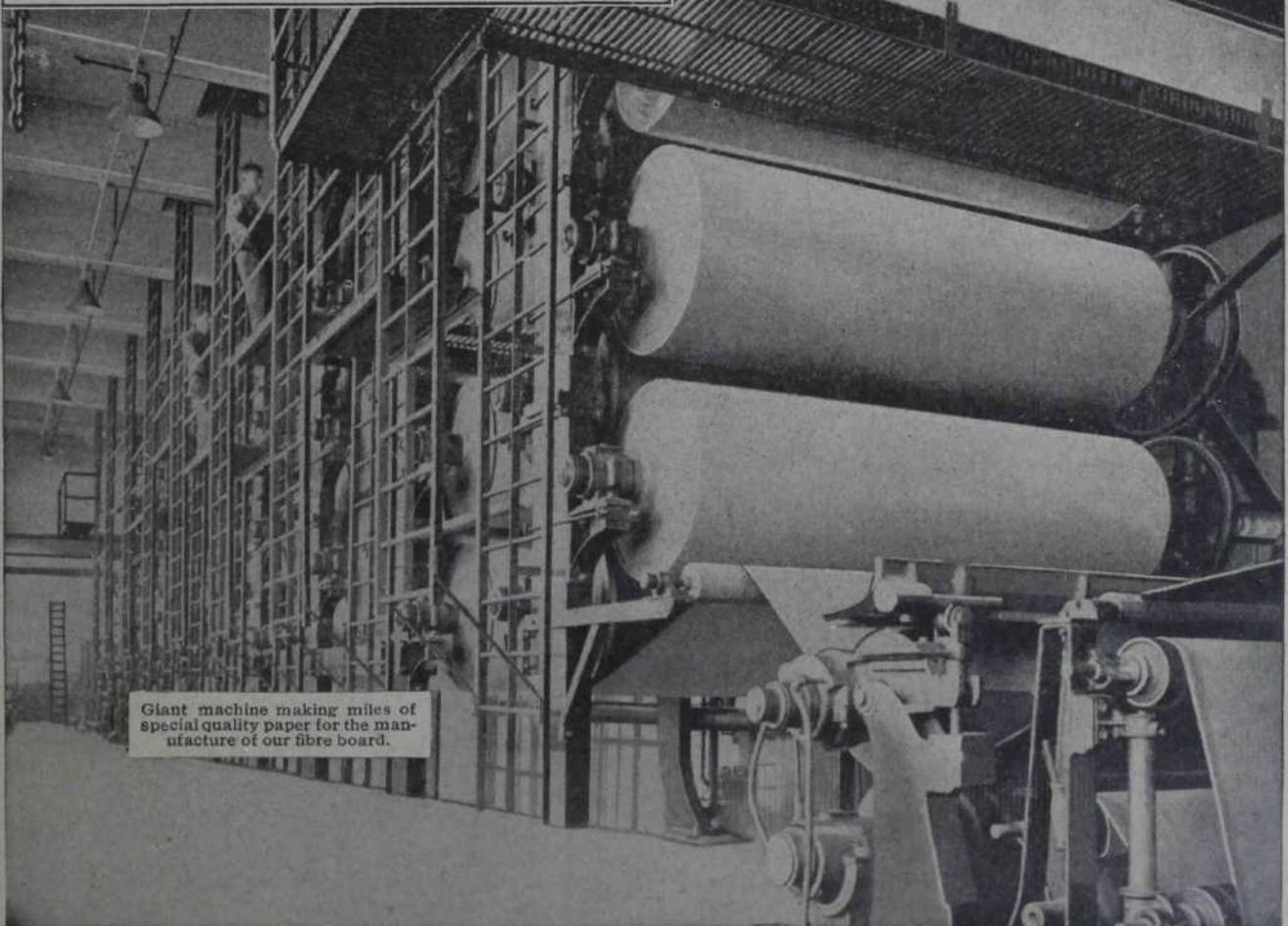
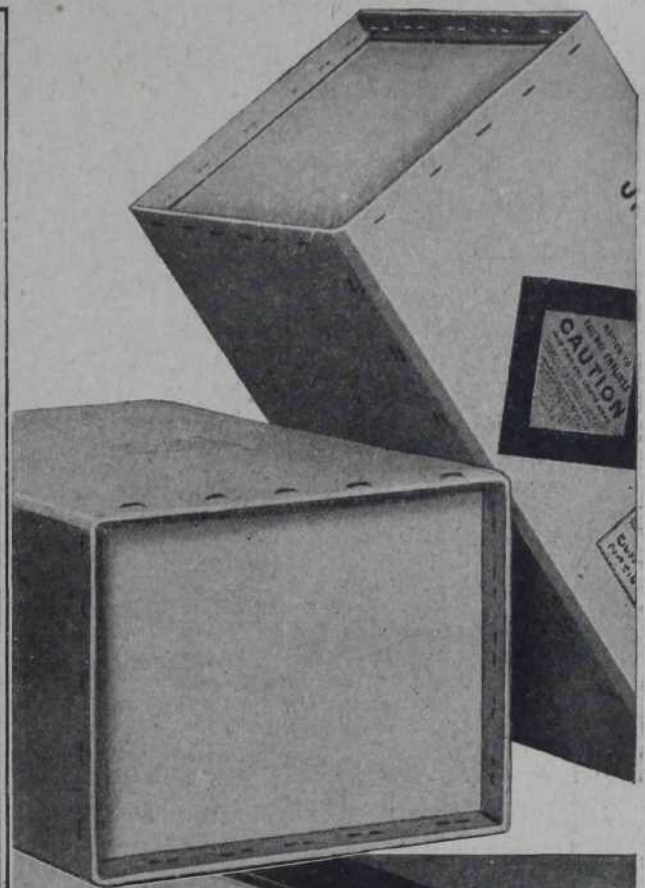
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The analogy is perhaps not perfect, because an artist draws on his creative faculties, whereas a contractor has a set of specifications which he must implicitly follow.

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industry. If the country is to continue to grow, the railroads must continue to grow. Otherwise all industry, from the farms to the factories, will be strangled.

In the past few years before the war, the railroads were investing new capital for expansion at the rate of about 500 million dollars a year. That was an annual increment of capital of only about 3 per cent of the existing investment. It was not enough, as we all know. The reason that more new capital was not devoted to upbuilding our railroads was that it could not be obtained. Investors were putting their savings into things that looked either more attractive, or more secure. In fact, for several years prior to the taking over of the roads by the Government, the market for new railroad stock had practically vanished.

During the war, under government control of the railroads, it was not possible to keep up normal expenditures for increasing railroad capacity. The labor and materials needed for new railroad work in 1918 had to be used on the big job "over there," and in 1919 the Railroad Administration did not have the funds with which to carry on this work. In spite of these restrictions on new railroad work during the past two years, the Director General of Railroads shows that in twenty-one months the Government spent a billion dollars on capital account. But a billion dollars now will only buy in labor and materials half what it would before the war.

So, with the return of the railroads to their owning companies, the managements will be faced with the all-important problem of obtaining in the investment markets hundreds of millions of new capital for railroad upbuilding. We ought to put a thousand millions of new money into the railroads in 1920; we ought to put in as much in the following year, and in the following year.

It All Depends on This

WHERE is this capital to be obtained? That is the crux of the railroad problem. We can't do as we used to do years ago when we were long on ambition and energy and short on money—go to England, Holland and other European countries and sell our railroad securities. That market is closed. For several years we have been buying back from them most of the railroad securities sold them during the earlier years of American railroading. The only source of new railroad capital we have is the American investor.

If American capital is to continue to be devoted to the development of railroads, then the railroad business must hold out to the investor a fair return on his capital.

Railroad revenues should be such that well-located companies, honestly financed and wisely managed, can earn enough to attract all the new capital necessary for their growth. It is in the truest public interest that the railroads should be allowed to charge living rates for their service, because without such rates with which to earn a fair profit, new capital will cease to flow into railroads and the transportation machine will break down.

Throughout the country, throughout the world, there is an appeal for greater production; but production in a country like ours is absolutely dependent upon the adequacy of transportation. We cannot increase our production unless we increase our railroad facilities; we cannot increase our railroad facilities unless we attract the capital for this work; we can't attract new capital unless railroads are allowed to charge a fair price for the service they render the public.

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The Log of Organized Business

THE Chamber of Commerce of the United States has announced that it is prepared under certain conditions to designate representatives to attend an unofficial international financial conference along the lines recently suggested in memorials presented by representative citizens of several foreign countries and of the United States.

The National Chamber makes it clear that the letter of the Secretary of the Treasury, dated January 28, is accepted as distinctly limiting the subjects which in the opinion of the Treasury should be discussed at least by American delegates at such a conference. The National Chamber feels however, that if the foreign governments still desire the presence of American representatives at such a conference, in spite of the limitations under which those delegates would act, it should not refuse to participate in the conference.

The Chamber, before acting on the request that it designate representatives, asked the Treasury Department for an expression as to the wisdom of such a conference. Its own position with respect to extension of further government credits to Europe was set forth at the International Trade Conference held Atlantic City last fall, when it was made clear that the general consensus of opinion was that credits should be extended not by the government but by private capital.

The Secretary of the Treasury made it clear that the American government is distinctly opposed to any further extension of government credits.

Before announcing its decision, the Chamber referred this question to the Committee on Plan and Scope, a sub-committee of the National Committee on European Finance, appointed by the National Chamber as a result of the recent International Trade Conference at Atlantic City. This sub-committee expresses the belief that before American delegates are appointed to an international conference the letter of the Secretary of the Treasury should be brought to the attention of the European governments, and of the signatories of the memorials which have been submitted and that if the European governments desire to continue their plans for a conference, and if they desire the attendance of American delegates subject to the conditions referred to, the Chamber should then appoint representatives.

The report of the Committee on Plan and Scope is signed by James S. Alexander, President of the National Bank of Commerce in New York, as Chairman, and by James Brown, of Brown Brothers and Company, New York City; George C. Lee, Lee Higginson and Company, Boston, Mass.; John McHugh, Vice-President, Mechanics and Metals National Bank, New York City and Chairman, Committee on Commerce and Marine, American Bankers Association; Thomas W. Lamont, J. P. Morgan and Company, New York City; Charles H. Sabin, President, Guaranty Trust Company, New York City; James A. Stillman, President, National City Bank, New York City; Frederick Strauss, J. and W. Seligman and Company, New York City; and Guy Emerson, Vice-President, National Bank of Commerce, in New York.

In making public the letter from the Com-

In spite of fogs and squalls, the good ship forges right along, thank you, and there are events aloft and below that are eminently worthy to be recorded

mittee on Plan and Scope Homer L. Ferguson, President of the Chamber of Commerce of the United States, said:

"If, on further consideration, European opinion favors the holding of a conference, with full understanding of the limitations affecting our participation which are so clearly pointed out by our sub-committee, I am sure the Chamber will be prepared to act promptly. I have no doubt that the desires of the European Government with respect to the proposal will soon be made entirely clear. The Chamber has received numerous suggestions to the effect that if the proposed conference is held it should include representatives of all the nations interested in this problem."

The question of further action by the Chamber of Commerce of the United States with reference to the proposed conference has been placed in the hands of a committee consisting of President Ferguson, A. C. Bedford of New York, Vice-President of the Chamber of Commerce of the United States, Mr. Harry A. Wheeler of Chicago and John H. Fahey of Boston, former presidents.

To Divorce Departments

REORGANIZATION of the War Department to provide for separation of strictly military affairs from the business of supplying munitions and materials has been recommended by the Committee on National Defense of the National Chamber. This committee was named some time ago with Bascom Little, of Cleveland, as chairman, to consider the whole problem of National defense.

The committee has suggested also that there be provided by law a coordinating officer with the title of Secretary of National Defense, who would coordinate the efforts of the War and Navy Departments and who would act as chairman of a War Industries Board, as well as other boards that might be created in case of war. This officer would be responsible directly to the President.

Production!

INCREASED production will be the theme of the coming annual meeting of the Chamber of Commerce of the United States to be held at Atlantic City (get date from office). Bankers, economists, business men and all who are giving study to the present industrial situation throughout the world have come to a realization that the only way to restore normal commercial conditions is through restoring production the world over.

Although there are theorists who profess to believe wealth can be increased and the individual bettered by means other than production there are no such easy paths to national wealth and prosperity. For years there has been a tendency towards shorter hours of labor and very properly so, but there is a zero point beyond which the world cannot go

without impoverishing itself. Just now the world is short of goods after five years of destruction through warfare. To make this shortage up the world must work, work hard and long.

Food For Starving Millions

RELIEF of famine conditions in some parts of Europe is imperative if chaos is to be avoided. With this situation in mind the Board of Directors of the Chamber of Commerce of the United States has urged on Congress legislation to permit the Grain Corporation or other agencies to purchase and transport to these regions food. The request was embodied in the following resolution adopted by the board:

Resolved: That the Board of Directors of the Chamber of Commerce of the United States urgently recommends that Congress in order to avert famine and to promote the resumption of stable conditions in the countries of Central Europe and in Armenia authorize the United States Grain Corporation or other suitable agencies to transport to these countries where famine is imminent and the governments of which are unable through lack of necessary resources to provide for the subsistence of their peoples food, supplies and other necessities of life; to sell such supplies on credit to the governments of said countries and so to regulate their distribution as most effectively to provide for the prompt and efficient relief of the populations in need; and that Congress appropriate such sum as may be necessary for the purpose."

On the Peace Treaty

PROMPT ratification of the Peace Treaty has been urged on the Senate and the President by the Board of Directors of the National Chamber. In passing a resolution pointing out the necessity for early action the directors requested the Chamber's organization members throughout the country to take similar action, notifying their representatives in Congress of their desires.

The resolution passed by the board reads: "WHEREAS, the progress and safety of the world demand it, and

"WHEREAS, in order that the vital interests of the United States and its nationals in Europe may be fully protected and the attention of our people and our government may be concentrated upon our domestic problems, it is essential that the peace treaty be ratified immediately, therefore:

"Be it Resolved: That the Board of Directors of the Chamber of Commerce of the United States of America hereby urges the president and the Senate to take prompt action with respect to the treaty of peace with Germany, with such reservations as will fully safeguard every fundamental principle of the government of the United States."

For the National Defense

THE following recommendations are contained in a report made to the National Chamber by its committee on National Defense:

1. That the Chamber continue attempts to have the principle of universal military training enacted into law. (This proposal has just been defeated in Congress.)

2. That the War Department should be

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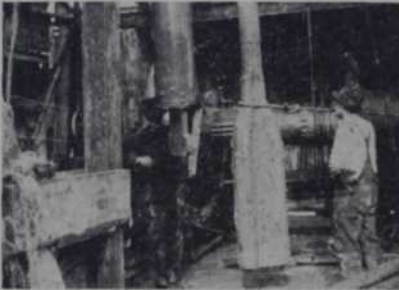
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reorganized so as to provide for separation of strictly military affairs from the business problem of supply and that the business of supply be put under a civilian chief.

3. That the Chamber endeavor to obtain legislation for the reorganization of the War Department as indicated.

4. That a coordinating officer with the title of Secretary of National Defense be provided by law responsible directly to the President to coordinate the work of the War and Navy Departments, to concern himself with the broad problems involved in the national defense and to act as chairman of the War Industries Board and other war boards created in time of war.

Raising a Million

THE Chamber of Commerce of Middletown, O., is carrying on a campaign for raising a civic fund of a million dollars. Already \$750,000 has been subscribed. The remaining quarter of a million is in sight. The Chamber will spend \$150,000 of the civic fund in building new quarters. In other words, Middletown, O., is going to stay on the map.

St. Louis' Housing Scheme

WORK on an initial block of houses to be built by the Home and Housing Association of St. Louis, for sale on liberal payment plans to wage earners, started on March first. The houses will be fireproof and cost from \$4,000 to \$6,000. Payments may be spread over a period of from five to eighteen years, with monthly payments of from \$5 to \$15 on each \$1,000 valuation. Two thousand homes are to be erected at a total expenditure of ten million dollars. Model tenements are also planned.

Truck "Express Trains"

A MOTOR truck demonstration was recently conducted by the Chamber of Commerce in Macon, Georgia. It is claimed that this was the first occasion in the United States on which motor truck express trains were actually operated on scheduled routes, carrying merchandise to the country and neighboring towns, and bringing return loads of farm products into the local market. The Chamber of Commerce originated the plan, organized, financed, and conducted the local arrangements with the cooperation of motor truck manufacturers and dealers.

Madison Welcomes Tourists

A GOOD ROADS and Tourists' Bureau is maintained at the Madison, Wis., Association of Commerce which is made use of by thousands of citizens and tourists who visit the city. They are provided with complete road information, maps, guides and literature. Information is given out concerning summer resorts, hotels and cottages on the local lakes.

National Organization of Junior Chambers

AN organization of the young business and professional men of the country, assuming national scope, was organized in St. Louis on January 21, when some 37 junior commercial and civic bodies formally organized the National Junior Chamber of Commerce. The meeting was held at the call of the St. Louis Junior Chamber of Commerce, which has been one of the most active in the country.

Helping British Exports

THE Advertising Advisory Committee of the American Chamber of Commerce in



First National Service

is service of the highest possible character. It covers every department of banking and many collateral lines, and is constantly at the disposal of all those who do business with this institution.

Deposits - - - - - \$171,000,000

Resources, over - - \$280,000,000

Branch at
BUENOS AIRES,
ARGENTINA

Tycos

Temperature Instruments

The Basic Factors of Industrial Control

Tycos Indicating, Recording and Controlling Temperature Instruments are standard today in practically all process work of modern industry. A lifetime devoted to the solution of special temperature problems has resulted in the development of these instruments to a point of dependability and precision which have not been surpassed.

We Make:

Straight Stem Thermometers
Angle Stem Thermometers
Capillary Recording Thermometers
Capillary Index Thermometers
Thermoelectric Pyrometers
Recording Thermoelectric Pyrometers
Fery Radiation Pyrometers
Temperature Controlling Devices
Time Controls
Compasses
Capillary Electric Contact-Temperature Controls
Laboratory Engraved Stem-Thermometers
Hygrometers (wet and dry bulb)
Indicating and Recording-Thermographs
Coal Oil Testing Instruments
Hydrometers
Vacuum Gauges
Aneroid Barometers

COMPLETE INFORMATION
ON REQUEST.
(EE-1)



Taylor Instrument Companies
ROCHESTER, N.Y.
There's a Tycos and Taylor Thermometer for every purpose

In Building, too, The Best is the Cheapest

INCREASED costs in almost everything we buy have taught us the true value of quality. As a nation we have come to recognize that in the long run the best is the cheapest. We have come to realize the extravagance of cheapness.

Investigation will convince you that this principal is as true in building your home as it is in your every-day purchases.

Other building materials have their merits and make their appeal, but looking at the building problem on all sides, no other material approaches Face Brick in the structural and artistic values it offers—permanence, comfort, safety from fire, beauty and economy.

The slight difference in first cost over less durable materials is soon wiped out by the many savings that go with a Face Brick house.

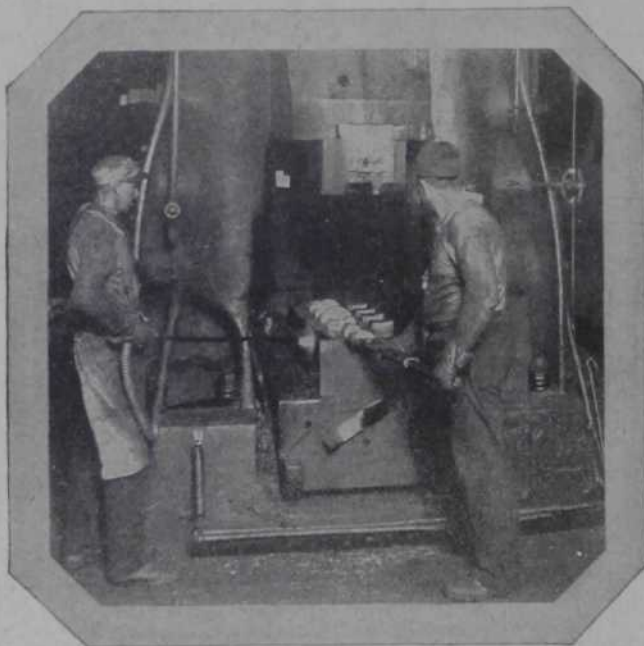
You will find this subject fully discussed in "The Story of Brick," an attractive booklet full of pictures and information that will interest every prospective builder.

Send for your copy today

AMERICAN FACE BRICK ASSOCIATION

1130 Westminister Building, Chicago





Williams' Superior Drop-Forgings

Nearly half a century ago, J. H. Williams began manufacturing Drop-Forgings. He then determined they should be "Superior" Drop-Forgings—superior in every attribute that makes a Drop-Forging worth while—in material, in strength, in craftsmanship, in finish.

The wisdom of his policy which has been rigidly adhered to since its inception is evidenced by the continued growth of the business. It now requires the united efforts of two great plants, one in Brooklyn and one in Buffalo, N. Y.—to keep pace with the orders for J. H. Williams & Co's "Superior" Drop-Forgings.

The names of the company's clients form an honor roll of America's industries. And naturally so, because the manufacturer who has achieved marked success—in automobiles, in aircraft, in machine tools or in any mechanical device where strength is of importance has depended upon superior quality in drop-forgings as well as in other factors of his product. William's forgings have contributed their share toward that success.

This company also manufactures and carries in stock a great variety of Machinists' Tools, Drop-Forged Wrenches, Chain Pipe Wrenches and Vises, Tool Holders, Lathe Dogs, Clamps, etc. Booklets describing any of these Standard lines will be sent on request. Correspondence is invited regarding Special Drop-Forgings for any purpose.

J. H. Williams & Co.

"The Drop-Forging People"

24 So. Clinton St.
Chicago, Ill.

24 Vulcan St.
Buffalo, N. Y.

24 Richards St.
Brooklyn, N. Y.

London is developing a British-American reciprocity advertising information service, to supply exporters in either country with general information as to the marketing of their goods, the existing or potential demand, competition, etc., in the other country. At the moment, the committee is laying greater stress on the development of British trade in America, because, it is deeply concerned with the menace that the low rate of Sterling Exchange holds for the immediate future of the American export trade. Realizing that the only remedy lies in British exports to the United States, the Committee is giving special attention to the subject so far as it relates to proprietary and trade-marked articles, the sale of which is commonly assisted by advertising.

The cooperation of several of the foremost American organizations is already pledged in obtaining for British manufacturers the general information outlined above as to the market in America for their goods. Among them are the American Manufacturers' Export Association, Associated Business Papers, Inc., New York, American Newspaper Publishers' Association, New York, American Association of Advertising Agencies, Cleveland, Associated Advertising Clubs of the World, Indianapolis and Periodical Publishers' Association. The following leading British organizations have already signified their interest: Federation of British Industries (Industrial Publicity Service), National Union of Manufacturers, Association of British Advertising Agents, London Chamber of Commerce.

Engineers' Industrial Creed

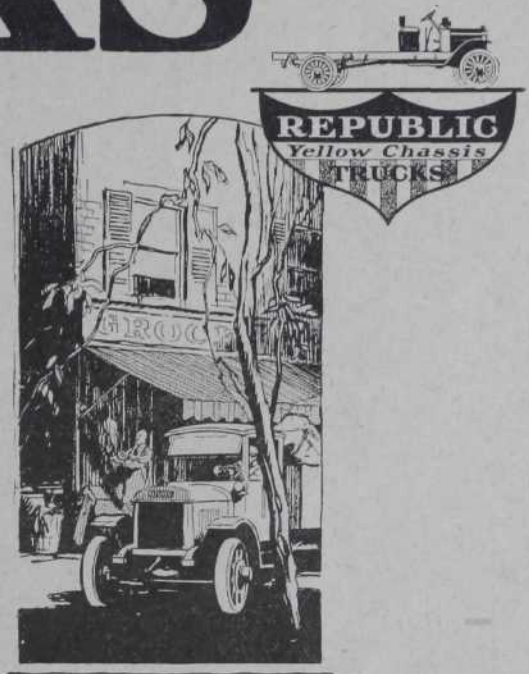
THE American Association of Engineers, through its Board of Directors, have recently issued a statement, on Trade Unionism in the profession. Among the signers are some of the most prominent engineers in the country. The position of the Association is defined in regard to the present state of industrial unrest. The engineer is regarded as the medium through which both capital and labor are used in production and industrial development. The aim of the profession is to advance civilization and render the highest service to society. Except when this aim is furthered it is an advocate of neither capital nor labor.

The Association sees its industrial policy as follows: Increased production, reward according to ability, initiative and constructive effort; enlightenment of public opinion as to all just claims and the merits of each case clearly presented and demonstrated; organized representation for the correction of wrong; the advancement of the profession and service to the public, but without methods inconsistent with the dignity of the profession and tending to lessen public confidence; in conclusion, the Association recognizes many fundamental differences between the principles and objectives of the trade union and of an organization of professional men and believes an engineer cannot subscribe to the tenets of both.

National Marine Week

To arouse the people of the entire country to take a voting and investing interest in the American merchant marine and thus establish the maritime independence of the United States, a series of demonstrations nation-wide in scope but centering in New York, will be held next April 12-17 under the designation of National Marine Week; it has been announced by the National Marine League, under whose auspices it has been arranged.

REPUBLIC TRUCKS



The ruggedness of the Republic is amazing. Its reputation in this respect is so remarkable that it undoubtedly is regarded as the most dependable truck in America. It stands up, and keeps on standing up—for years! More business men use the Republic than any other truck—over 60,000 of them. The point is, they keep on adding new units to their Republic fleets. Proof of Republic economy, in other words, is overwhelming.

Republic Motor Truck Company, Inc., 962 Michigan Avenue, Alma, Michigan



These valuable filing books free on request—

Every man or woman who purchases filing equipment should have these books. They show how the modern filing cabinet is built and why it is built that way. They contain a complete representation of Library Bureau unit filing cabinets and show the various types by means of more than 200 illustrations in color:—

The vertical unit
the standard type of file—most widely used for general filing needs.

The counter-height unit
a filing cabinet and counter in one.

The demi-unit
for the small business or private file.

The horizontal unit
for a great variety of records combined in one cabinet.

The card record desk
a desk and card file combined.

The tray cabinet
for the index or record on the desk.

You need these books to make you a better buyer of card and filing cabinets. They place before you, in clear yet concise form, a complete detailed description and illustration of all that is best in modern filing equipment.

These books are yours for the asking. Write, 'phone or call

Library Bureau

Card and filing systems

Filing cabinets wood and steel

Founded 1876

Boston 43 Federal st. **New York** 316 Broadway **Philadelphia** 910 Chestnut st. **Chicago** 6 N. Michigan ave.

Albany, 51 State street
Atlanta, 192 N. Pryor street
Baltimore, 14 Light street
Birmingham, 2205-6 Jefferson Co. Bank bldg.
Bridgeport, 949 Main street
Buffalo, 120-122 Pearl street
Cleveland, 245 Superior arcade
Columbus, 20 South Third street
Denver, 430-436 Gas and Electric bldg.
Des Moines, 202 Hubbell bldg.
Detroit, 63 Washington blvd.
Fall River, 29 Bedford street
Hartford, 75 Pearl street
Houston, 708 Main street

Indianapolis, 212 Merchants Bank bldg.
Kansas City, 215 Ozark bldg.
Milwaukee, 620 Caswell block
Minneapolis, 425 Second avenue, South
New Orleans, 512 Camp street
Newark, N. J., 21 Clinton street
Pittsburgh, 627-629 Oliver bldg.
Portland, Me., 667 Manoir bldg.
Providence, 75 Westminster street
Richmond, 1222-24 Mutual bldg.
St. Louis, 515-515 Arcade bldg.
St. Paul, 116 Endicott arcade
Scranton, 408 Connell bldg.

Springfield, Mass., Whitney bldg.
Syracuse, 405 Dillaye bldg.
Toledo, 620 Spitzer bldg.
Washington, 743 15th street, N.W.
Worcester, 716 State Mutual bldg.

DISTRIBUTORS
San Francisco, F. W. Wentworth & Co., 129 Market street
Los Angeles, McKee & Hughes, 440 Pacific Electric bldg.
Dallas, Parker Bros., 105 Field street
Salt Lake City, C. G. Adams, Manager, 100 Atlas bldg.

FOREIGN OFFICES

London Manchester Birmingham Cardiff Glasgow Paris

Parades, dinners, exhibits and an exposition of the largest ship models ever gathered in America will be features of the week's ceremonies which will be opened by Secretary of Commerce Joshua W. Alexander, Chairman John B. Payne of the U. S. Shipping Board, Senator Wesley L. Jones, Chairman of the Senate Commerce Committee, Hon. William S. Green, Chairman of the House Merchant Marine Committee.

Memorial Auditorium

THROUGH the efforts of the Association of Commerce, New Orleans will soon have a large public auditorium to house the numerous conventions which annually select this city as their meeting-place.

Operation of Public Utilities

DIRECTORS of the Merchants' Association of New York have adopted a resolution favoring the principle of continuous operation of public utilities. The resolution recites that the public welfare requires continuous and unimpeded operation of public utilities. It declares "that the tenure of service of employees of public service corporations, particularly of transportation corporations, should be regulated by law in such a manner that each person who voluntarily elects to enter such employment shall, as a condition of such employment, be legally obligated by contract to continue therein for a specified term, during which term he may not lawfully discharge him from its service, except as provided by such contract; and that such contract should provide adequate penalties for violation of its terms by either party."

Jersey City's Public Market

JERSEY CITY is to have a permanent public market that will compare favorably with the markets in Newark and Brooklyn. The Board of City Commissioners accepted the recommendation of the Market Committee of the Chamber of Commerce, backed up by endorsements from practically all of the civic and women's club organizations in the city, and unanimously adopted a resolution authorizing the issue of some \$75,000 in temporary loan bonds to be used for the construction of a permanent market.

"Under Thirty" Club

FEELING that the varied activities of the Detroit Board of Commerce presented unusual chances for utilizing the enthusiasm of the young men of the community, this organization has created an "Under Thirty" club, planned to develop the potential usefulness of this element to its utmost. It is hoped that the new club will fit the younger business men and professional men for their future places as leaders of Detroit in the next generation.

Aids City Planning

THE Pittsburgh Chamber of Commerce is conducting a campaign to have the City Council of that city appropriate \$30,000 for a survey to provide a basis for future municipal improvements. In the survey, data will be secured for housing, public recreation, transportation, districting and zoning.

Junior Chamber at El Paso

THE Chamber of Commerce at El Paso, Texas, has recently organized a Junior Chamber which has planned a constructive program for the coming year including activities and cooperation with the separate

What is the Real Factor which Determines the Buying Decision

By George A. Kissel

Motor transportation has entered upon a new era—at a time in the manufacturing, industrial and transportation condition of the country when dependability, economy, adaptability and confidence are absolute necessities. There can be no temporizing. Your transportation problem is not merely the selection of a truck—it is the adoption of a basic principle—of relying on your confidence in the maker and in the efficiency of his product.

But, what is this controlling impulse that leads you to accept without question certain commodities at their face value and approach others with doubt and hesitation?

It's Confidence! Confidence is the real factor which determines the buying decision—confidence created by age, reputation, performance, stability, permanency, and constant service over a long period of time.

It takes many long years to create confidence in a product to that point where the mere mention of the manufacturer's name carries conviction to the buyer that his confidence can be safely placed.

There is no secret about building trucks—factories can be duplicated—so too, the motor, the transmission, frame—all the chassis units.

But—the one factor that cannot ever be duplicated is **experience in designing and construction—of studying, analyzing and probing transportation needs of every line of business.**

Establishing Buying Confidence

Into every Kissel Truck fourteen years of experience are built, and as each year has



Kissel Truck on America's "Bread Line"

passed, our confidence has grown and grown until Kissel Trucks have become a **product of confidence.**

While fundamentally you purchase a truck on the basis of the four essential truck factors—service, strength, power and performance—yet there is another factor even greater than these if you have bought right—**this same Confidence.**

Confidence in a motor truck, as confidence in our Government, is born of time—tried, tested and proven—reflecting concentrated efforts along



"Old Iron Side," a Kissel Truck that has Upheld Kissel Confidence for Over 250,000 Miles.

definite lines—the continuity of one basic idea.

The real test of any truck is the time test—what a truck has done over a period of years you can continue to expect of it—because the manufacturer's reputation exacts it of him.



Kissel Truck on America's Good Roads Construction Program

Kissel reputation was built on a combination of dominating principles of construction put together with all the accuracy the best engineering skill is capable of, and embodying the ideals born of many years of truck building.

The result—the Kissel Truck of today is an evolution—a constant striving toward an ideal from which the Kissel reputation was born, to grow to the rank it has attained today.

We realized many years ago that getting transportation costs down was one thing—and keeping them down another thing.

Kissel Trucks owe their reputation for dominant performance and stability to not one particular feature, but rather to the combination of practical mechanical features taught us by experience.

Fundamental truck essentials are closely guarded by Kissel engineers throughout the chassis, giving that **certainty of performance and stability of operation** that create confidence.

Creating Permanent Confidence

Permanency is a by-product of confidence, because the manufacturer in building confidence must erect his structure on a permanent foundation. It was only by building the Kissel factories complete in themselves—of forming permanent financial connections—of perfecting an organization of trained men and skilled engineers—that Kissel Trucks could merit the public's confidence, and to keep that confidence demands our expanding our facilities, equipment and labor. Sons work alongside of their fathers—each year sees more and more Kissel homes going up, to be handed down to the new generation that will up-hold the Kissel confidence long after you and I have finished our work.

"Old Iron Sides" one of the first Kissel Trucks built is, after over two hundred and fifty thousand miles, still giving uninterrupted service. True, it has had many changes—a new hood—cab—wheels, many tires and bodies—but the original motor—frame—axle, bearings, are still good—proclaiming that confidence was built into Kissel Trucks from the very first.

How Confidence in Kissel Trucks has been Created

We have deliberately created buying confidence in Kissel Trucks and with equal deliberation and determination

we are furthering this confidence through constant study and experiments.

Take steel—the basic element of truck dependability. All steels must meet the Kissel engineers' specifications before being accepted. Phosphorus and sulphur, the destroying elements of steel, must be eliminated as far as possible. Chromium, the strengthening constituent and Vanadium, the cleansing element, must be as prominent as possible.

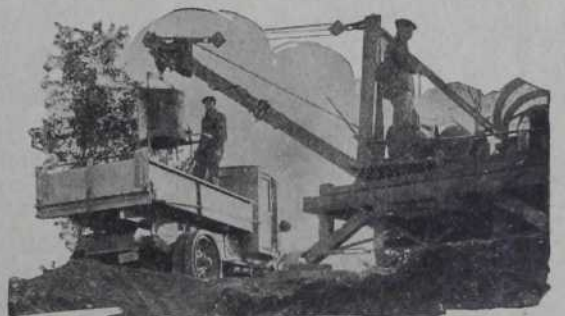
Take the stability of the Kissel-built motor, designed, perfected and manufactured for truck power purposes only. A corresponding high degree in perfection is in the axles, massive frame, brakes, with a large factor of safety; heavy, flexible springs of especially selected steel—pressed steel frames built with practical reference to overloads. It is this practice of making each part of a unit a little stronger and wear-resisting than would be necessitated by an overload, that keeps Kissel Trucks profitably on the job day in and day out.

In Agricultural America moving the bumper crops and keeping up the meat supply—County and Municipal work—on America's mammoth



Kissel Truck on America's "Firing Line"

good roads program—in the service of manufacturers, wholesalers and merchants—for the lumber, coal, ice, flour—every retail business, Kissel Trucks are proving their adaptability and creating more and more confidence.



Kissel Truck on America's Great Building Program

Being built in five sized models, there is a size for every purpose, ranging from our "General Delivery" model for quick delivery, to the mammoth "Goliath" model, a giant in power and a brute for work.

In addition, Kissel designing construction and easy accessibility of all parts, simplify any service work, while standardized parts and a wide distribution of service depots, assure low upkeep expense.

Further details with specifications and data on request from nearest Kissel dealer or Kissel Motor Car Co., Hartford, Wis., U. S. A.



When the Ship Came In

IN Colonial days the arrival of a ship at an American port was a great event. It meant news from overseas, and, more important, needed supplies of woolens, linens, shoes, and implements, in payment for which the settlers offered furs, tobacco, or other products of the new country.

For the most part trading was mere barter, goods being exchanged directly for goods. Certain commodities, even, were designated as legal tender.

Modern banking has eliminated these slow and uncertain methods. Through its organization of offices and correspondents in this country and abroad, the GUARANTY TRUST COMPANY offers every facility for the direct, safe, and prompt handling of commercial transactions, and for financing domestic and international business.

A complete list of booklets descriptive of our services will be sent on request.

Guaranty Trust Company of New York

New York	London	Liverpool	Paris	Havre	Brussels
Capital and Surplus	-	-	-	\$50,000,000	
Resources more than	-	-	-	\$800,000,000	

working departments of the Senior organization.

New Chamber Department Organized

ORGANIZATION of its new Department of Foreign Trade is announced by the Chamber of Commerce of the United States with Chauncey D. Snow at its head. Mr. Snow has resigned as United States Commercial Attaché at Paris to take the position. Creation of this department, along with others, as a means of increasing the usefulness of the chamber, was authorized at the last annual meeting of the Chamber's membership. Other departments will be instituted as soon as practicable.

The new Foreign Trade Department will study the policies of the government in international commercial relations and will make a study of all matters concerning these policies. It will be a special agency for special and expert investigation in this direction. It will serve in an advisory capacity to committees of the Chamber, to its executive officers and to its Board of Directors.

Few men in the country have had a wider experience in the technicalities of international commerce than has Mr. Snow.

A graduate of Harvard and the Washington College of Law, he was well equipped for the civil service examination as tariff assistant which he passed in October, 1910, entering the service of the Department of Commerce early in 1911. In 1913 he was appointed commercial agent of the Department with an assignment to make an investigation of the pottery industry of the United States and Germany. He was in the midst of this investigation in Germany when the war broke out, making it necessary for him to return to the United States. Upon his return he was appointed to be assistant chief of the tariff division. In July, 1915, he was put in charge of the research division, and in 1916 made chief of the division of commercial attachés.

In April, 1917, President Wilson appointed Mr. Snow second assistant director of the Bureau of Foreign and Domestic Commerce, and in December, same year, he was promoted to be first assistant director. In December, 1918, he was appointed to be commercial attaché at Paris.

Mr. Snow has written two reports for the Department of Commerce which have had international circulation. One has to do with trade after the war; the other is about German organization.

Mr. Snow is a native of Brockton, Mass.

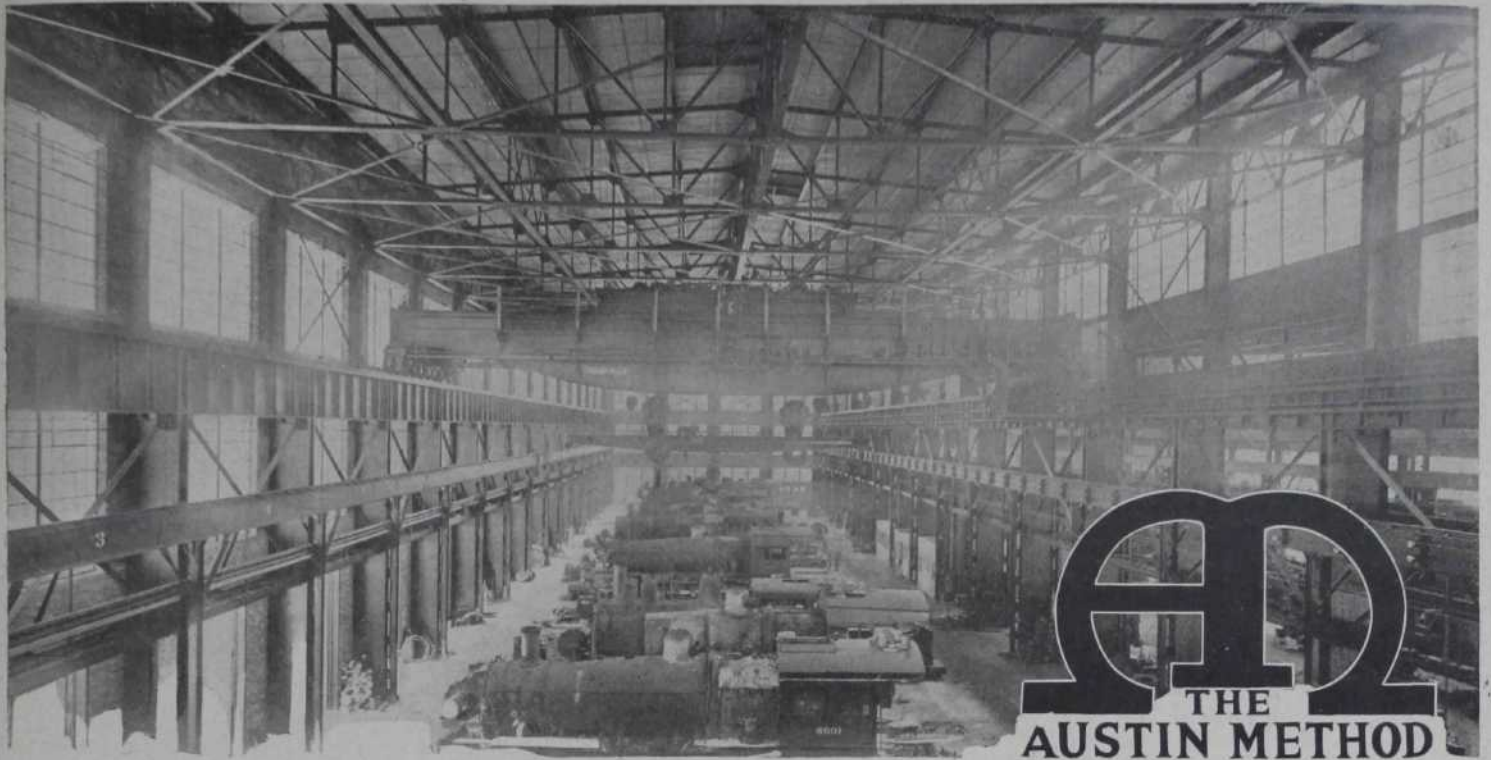
Sale of Merchant Ships

NINE proposals having to do with the sale and operation of Government-owned merchant ships, as approved by the membership of the Chamber of Commerce of the United States in Referendum No. 29, have been placed before the Senate Committee on Commerce. The Chamber's suggestions were outlined and explained to the committee by N. Sumner Myrick, vice-chairman of its committee on Ocean Transportation.

Comment on the Consolidations

JOHAN E. OLDHAM'S plan for consolidating the railroads into fourteen systems as set forth in THE NATION'S BUSINESS for February attracted considerable attention and comment. A reprint has been made to meet the demand for extra copies of the article and of the maps. Several newspapers asked Mr. Oldham for special articles on the subject. The New York Post called for a series of four.

John J. Esch, chairman of the House Committee on Interstate and Foreign Commerce,



One building of Locomotive Erecting Shop—designed, built, equipped, by The Austin Company for the Pennsylvania lines, West, at Logansport, Indiana.

Austin and Big Business

Among the Austin Company's clients will be found many of the country's largest railways and industrial corporations. A noteworthy example of Austin construction for *big business* is the Pennsylvania Lines, West, and its mammoth locomotive erecting shop shown above. This is one of three \$1,000,000 operations under Austin construction at the same time for the Pennsylvania Company, and one of twelve operations for the country's largest railway lines.

It was designed, built and equipped by the Austin Company. Even the 250-ton crane was erected by this company.

The Austin Company entered 1920 with sixty-six operations under construction—some of which total over \$1,000,000 in cost, embrace over fifteen buildings each, and include complete mechanical installations. The Austin Company's past construction performance is your guarantee of satisfaction.

Write, phone or wire for an early conference. Send for the Austin Book of Buildings.

For U. S. A. and Canada, address nearest office:

Cleveland.....16126 Euclid Avenue, Eddy 4500
 New York.....217 Broadway, Barclay 8886
 Philadelphia.....1026 Bulletin Bldg., Spruce 1291
 Pittsburgh.....493 Union Arcade, Grant 6071
 Detroit.....1452 Penobscot Bldg., Cherry 4466
 Chicago.....1374 Continental Com'l Bank Bldg., Wabash 5801
 San Francisco.....936 Pacific Bldg., Sutter 5406
 Dallas.....627 Linz Bldg., Main 5914

Export Representatives: American International Steel Corp., 120 Broadway, New York.

American International Steel Corp., 26 Victoria St., Westminster, London, S. W. 1, Eng.

THE AUSTIN COMPANY, Cleveland, Ohio
Industrial Engineers and Builders

AUSTIN

STANDARD FACTORY-BUILDINGS

STEAM COALS SMITHING COALS GAS COALS ANTHRACITE COALS

Miners' Agents, Shippers and Exporters of

Anthracite and Bituminous Coals

Shippers of the well-known VIKING, WENDELL and SONMAN Steam Coals, also the YOUGHIOGHENY, WESTMORELAND and FAIRMOUNT Gas Coals

Exclusive Selling Agents for

Pennsylvania Smithing Coal Co.'s

Celebrated Smithing Coals

Wells Creek Smithing Coal

Laboratory tests of this coal show the following results:

Moisture.....	0.70	Sulphur.....	0.62
Volatile Matter.....	17.87	Phosphorus.....	0.008
Fixed Carbon.....	75.50	B. T. U.'s.....	15,012
Ash.....	5.93	Fusing Point.....	2,781
	100.00		

Unexcelled for Welding and Forging Purposes

A. Sidney Davison Coal Co., Inc.

Members American Wholesale Coal Association, Wholesale Coal
Trade Association of New York and Chamber of Commerce of U. S.

No. 1 Broadway, New York, U. S. A.

Cable Address "VIKING", New York Western Union

writes THE NATION'S BUSINESS as follows:

"I had the pleasure of having Mr. Oldham personally explain his plan for railroad consolidation, and was very much interested, not only in the number of system he proposes, but more particularly the railroads he joined together to constitute each of these systems. It occurs to me that the Interstate Commerce Commission might get very valuable assistance from Mr. Oldham. His reputation as an authority on railroad economics gives to any of the recommendations he makes great weight."

Walker D. Hines, Director General of Railroads, writes: "I think Mr. Oldham shows how the railroad mileage of the country could be divided up between a few great systems so as to accomplish the important purpose of consolidation and at the same time preserve a large measure of competition."

Daniel Willard, president of the Baltimore & Ohio Railroad, writes: "In a general way I think Mr. Oldham's suggestions are along right lines, but I doubt very much that it will be found practicable or advisable, at any rate in the near future, to reduce all of the railroads in the country to as small a number of groups as he has suggested."

Mr. Oldham made it plain that he did not pretend to have the only plan, or the best plan; but that he had a plan which he offered as a starting point in working out the details of consolidation.

"The Consolidations"

And here is the comment of Samuel O. Dunn, editor of *Railway Age*:

I HAVE read with much interest the article of John E. Oldham on "The Merging of the Railroads" in the issue of the NATION'S BUSINESS for February. I have studied with especial interest the maps published with the article, showing the railways which Mr. Oldham would merge into his proposed systems.

"Assuming that the consolidations of the railways into a few large systems is desirable, I think that, on the whole, Mr. Oldham has worked out the proposed systems as logically as anybody could at the present time. He has proceeded in accordance with certain fundamental principles which must be recognized if consolidations are to be made which will be beneficial to both the railways and the public.

"First, in making up his proposed systems, he has in most cases recognized existing financial relationships and traffic routes.

"Second, he has worked out his proposed systems in such a way as to preserve railroad competition in every large part of the country.

"Third, he has proposed to unite strong roads with weak roads in such a manner as would largely eliminate the problems of regulation of rates arising from the very unequal competition of railways in the same general territories.

"Finally, he has not made his proposed systems so large and unwieldy as some proponents of wholesale consolidations have done, his smallest proposed system containing 11,681 miles and his largest less than 22,000 miles. Fortunately—as I believe—the indications now are that the new railroad legislation will not make consolidations subject to Government compulsion, but will authorize those which the regulating authorities may consider will not be contrary to the public interest.

"In my opinion a series of consolidations of the general character of those outlined by Mr. Oldham would be in the interest of both the railway companies and the public. In certain important cases, however, I should suggest different combinations."



The Human Side of Service

More than a year has passed since the signing of the Armistice, yet all the world still feels the effects of the War. The Telephone Company is no exception.

More than 20,000 Bell telephone employees went to war; some of them never returned. For eighteen months we were shut off from practically all supplies.

War's demands took our employees and our materials, at the same time requiring increased service.

Some districts suffered. In many places the old, high standard of service has been restored.

In every place efforts at restoration are unremitting. The loyalty of employees who have staid at their tasks and the fine spirit of new employees deserve public appreciation

They have worked at a disadvantage but they have never faltered, for they know their importance to both the commercial and social life of the country.

These two hundred thousand workers are just as human as the rest of us. They respond to kindly, considerate treatment and are worthy of adequate remuneration. And the reward should always be in keeping with the service desired.

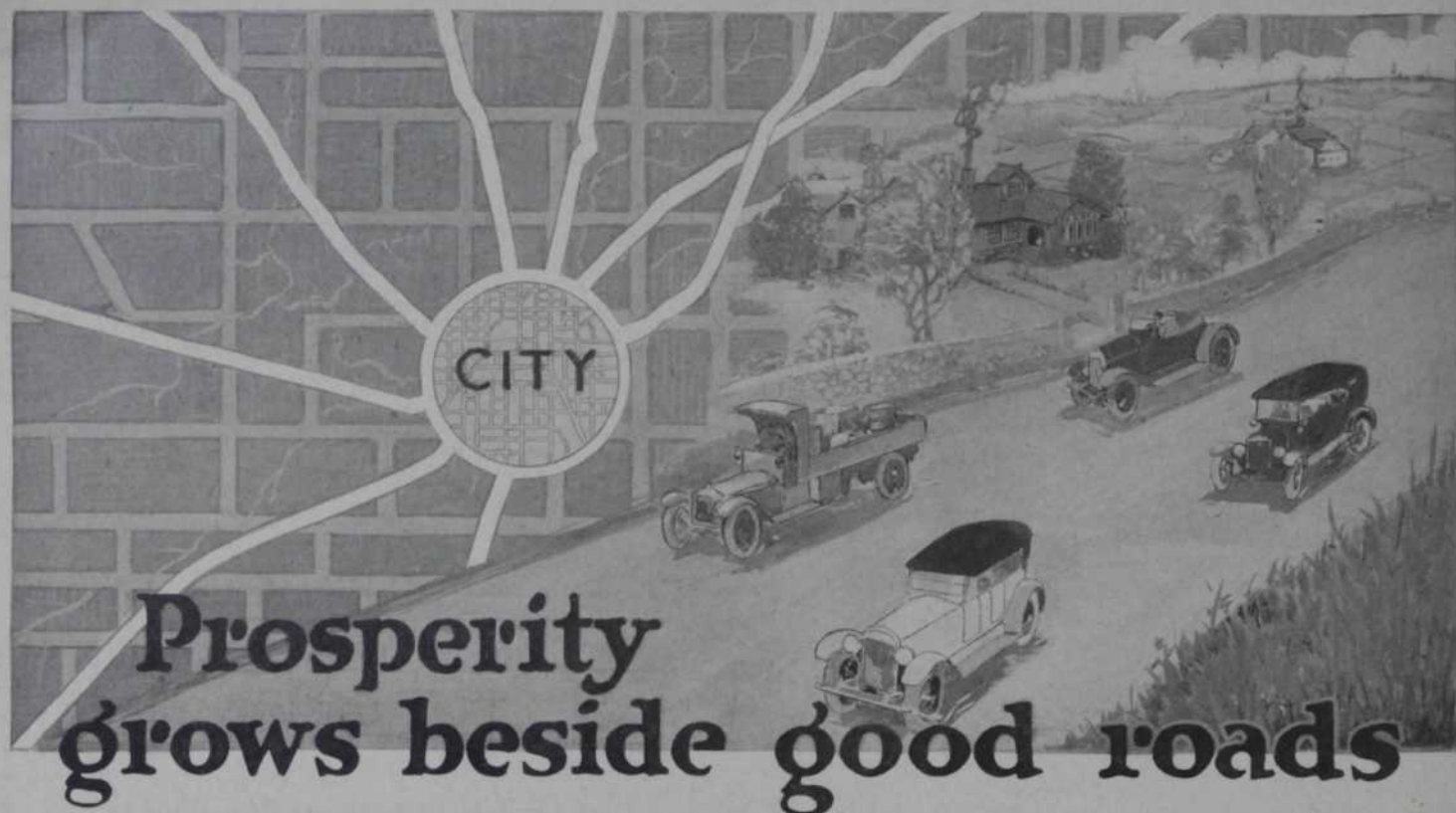


AMERICAN TELEPHONE AND TELEGRAPH COMPANY
AND ASSOCIATED COMPANIES

One Policy

One System

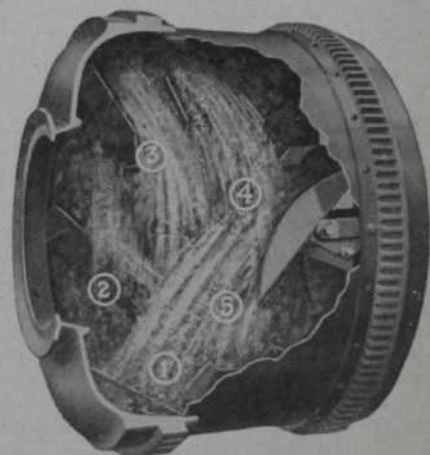
Universal Service



Prosperity grows beside good roads

GOOD roads take produce to market and bring back merchandise. Every month is a business month. Country and trading centers benefit. Alongside of good roads are the good schools and prosperous churches. Put your influence on the side of good roads—the greatest community asset.

When the roads are concrete, wholly or in part, let them be of **dominant strength concrete**—Koehring-mixe—as high as 31% stronger, by official test, than the concrete mixed by other mixing machines. Let your building be of the same concrete.



KOEHRING Concrete Mixers standardize concrete

**Contractors who
own Koehring
mixers have
proved their
regard for
Quality
Concrete**

No segregation of aggregate according to size. Every cubic foot of Koehring-mixed concrete that goes into your road or building is uniform in distribution of cement, sand or stone—because of the Koehring remixing action. Koehring-mixed concrete is uniform to the last shovelful of every batch,

and dominant in strength because the remixing action coats every stone and grain of sand thoroughly with cement. Write for Van Vleck's Book "Standardized Concrete"—an epitomized review of authoritative engineering views on mixing of concrete.

Koehring Machine Company, Milwaukee, Wisconsin

The Making of Americans

THE General Electric Company, which employs some 22,000 men at Schenectady, N. Y., is trying out a plan which has attracted considerable attention on the part of industrial managers. The non-English-speaking employees of the company are about 50 per cent Italian and 40 per cent Polish, and the remainder of other nationalities. The campaign was launched at a dinner at which the foreign-born workmen were the guests of G. E. Emmons, vice-president of the company. Classes are voluntary; the teachers are recruited from the ranks of college men employed. The work is in the hands of a committee made up of the manager of the Industrial Service Department, the manager of the Welfare Department, the electrical superintendent, and an Americanization secretary, who gives his entire time to the work. The English schools are conducted at the plant.

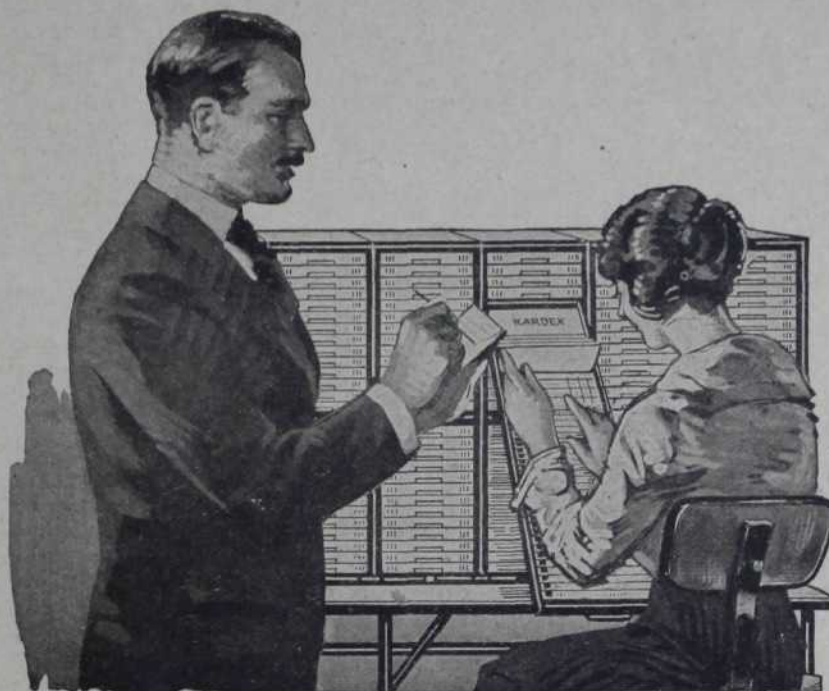
The Lowney System

THE Americanization classes conducted under the direction of the Lowney Co-operative Association of the Walter M. Lowney Company are making rapid progress this year. Over sixty-five men are attending and are divided into four different classes which meet twice weekly from 4:30 to 5:30 p. m. The director of the Evening Schools of Boston is furnishing the teachers for these classes, cooperating with the Associated Industries of Massachusetts in helping this work.

The course of studies is planned to give the greatest advancement possible to each individual. Many of the men understand English fairly well but do not know how to express themselves. The course is based on the objective method, presentation before representation, teaching the men to associate words with actions. A printed and written copy of simple sentences is given to each student, who in turn makes his own copy and then reads the sentences with the teacher, who explains the meaning of the individual words and of the sentence as a whole. The subject matter of this "copy" is based on words in daily use. Drill in phonics and phonograms is important in teaching the men to pronounce correctly. Instruction in reading deals with subject matter which is included in the occurrences of living, and much of this is conversational. In the more advanced classes simple historical facts, information relative to citizenship and civics, and current events are used as a basis for training in reading and conversation. Counting in the beginners' classes and arithmetic in the more advanced is also taught. A special effort is made to relate the teaching to the work of the men, making them familiar with the names of articles used in making candy as well as in general factory procedure.

A list has been prepared containing the most common words used in the work, and illustrations of the different machines and utensils are shown in order that the men may more easily recognize and properly name them.

The importance of teaching American ideals and the fundamental principles of American government to its foreign-born employees has been thoroughly realized by the Westinghouse Electric & Manufacturing Company. This company has recently established at its East Pittsburgh works a plan for the Americanization of the foreign-born employees which is quite comprehensive. Al-



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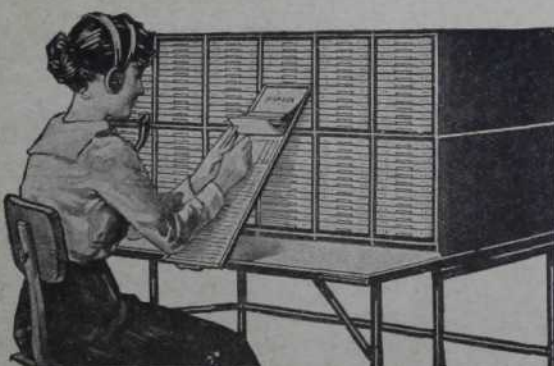
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CHICAGO

NEW YORK

though it has been in operation only a few weeks there are already over one hundred employees enrolled in seven classes, each of which meets twice a week for the study of English. To facilitate the work and concentrate the efforts, an Americanization committee has been appointed consisting of a chairman and one member chosen from each of fourteen divisions into which the shop has been divided. The chairman is connected with the Employment Service Department and has been devoting a considerable portion of his time to welfare work among foreign-born employees. All the members of the committee are foreign-born naturalized citizens and are well-known veteran employees.

The membership of the committee is chosen from the predominating nationality among the more than 20,000 persons employed in the East Pittsburgh works. A particular function of the committee, which meets every two weeks, is locating foreign-speaking employees in the various sections of the shop.

The course in English is open to any foreign-speaking employee. The classes are held in various sections of the shop twice a week, for a period of 45 minutes immediately after the factory closing hour. The period of the classes is on the employees' own time, but the instructors, books, and class rooms are all furnished by the company. Courses in civics and government are also given. The responsibility for supplying the instructors and the development of the course of study rests with the Educational Department of the company, which has outlined a series of lessons dealing with the various activities of the company and the American government.

One important function of the committee is to assist any foreign-born citizen in taking out his naturalization papers. The chairman of the committee, who is supposed to know the history, habits and inclinations of the predominating nationalities and to be fairly familiar with their political and economical aspirations, investigates the case of any one aspiring to citizenship and makes out the application. Applicants and their witnesses attending court for the purpose of getting their second papers are paid by the company for that day. Any foreign-born employee who has a complaint or request to make or is in need of assistance of any kind is referred to the chairman, who either settles the matter in question or sees that the employee is directed along the proper channels. As a period of two years must elapse between the time a foreigner makes a declaration of his intention to become a citizen and the time which he is eligible for citizenship, the applicant has an opportunity to secure the information necessary for him to pass the required examination. To assist him along these lines a course of study is mapped out dealing with important events and characters in American history, such as the discovery of America, the Declaration of Independence, the Revolutionary and Spanish-American wars, the industrial development of our country, and such personalities as Columbus, Washington, Jefferson, Lincoln, Wilson and certain popular Senators and Representatives.

Milwaukee to the Front

PROMPTED by the need of and the demand for a better understanding on the part of the public generally, of the fundamental soundness of the American constitutional government, several influential business men of Milwaukee have formed the American Constitutional League. The league is non-sectarian and non-racial in membership and purpose. Its activities will be confined solely



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Nujol prevents constipation by keeping the food waste soft, thus helping Nature establish easy, thorough bowel evacuation at regular intervals—the healthiest habit in the world. It is absolutely harmless and pleasant to take—try it.



Nujol is sold by all druggists in sealed bottles only bearing Nujol trade mark. Write Nujol Laboratories, Standard Oil Co. (New Jersey), 50 Broadway, New York, for booklet, "Thirty Feet of Danger."

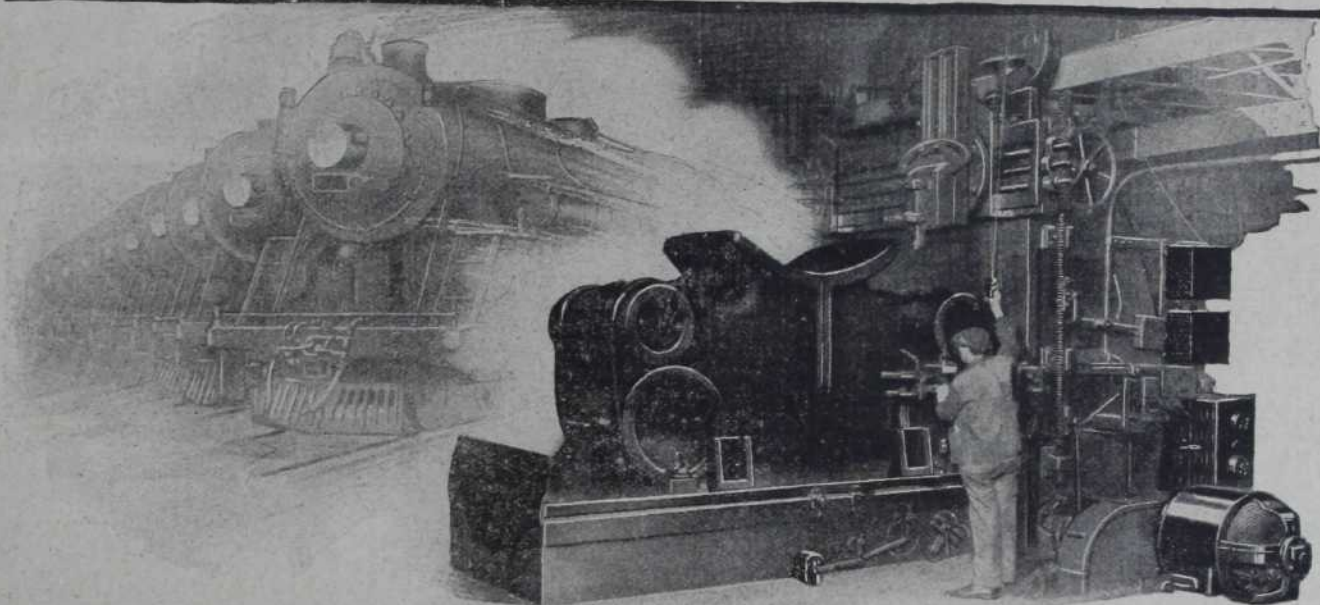
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Any plant will produce more—if you let it!

THE output of the American Locomotive Company's largest plant was partly fixed by the capacity of certain tools, belt-driven, from long lines of shafting.

Traffic demanded as many locomotives as possible—at once! Extra machine tools for planing could not be had.

Driving each machine with a G-E motor made it possible to eliminate long lines of shafting and many belts; saved labor, oil, time and power; and materially increased the production from these machines.

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Troubles of Profiteer Hunting

PROFITEERING arising out of cornering or other unfair advantage and gains from ordinary trade profits are being distinguished in England by the authorities who proceed under the profiteering law. This is perhaps natural when an industry like British cotton manufacturing is under review; for 73 per cent of Lancashire's product of fine cotton goods is exported, and export trade is now England's greatest national asset.

But the profiteering authorities have come in for a lot of trouble. It is not everybody who can understand the philosophy of the situation. Accordingly, although England's immediate advantage may be to charge the rest of the world the very highest prices that can be obtained, and it exports a goodly part of its products, a certain number of Englishmen are constitutionally or otherwise unable to perceive anything but high prices for what they buy, and they want to know what the profiteering authorities have done with a report on British trusts and another report on the British manufacture of wool, said to show profits from four to thirty-four times the profits allowed during the war. In fine, the officials who have in their charge the British law against profiteering are having anything but a dull time.

These Be Parlous Times!

THE Iowa farmer should feel that all is right with the world; for the Department of Agriculture celebrated its acquisition of a new Secretary from Iowa by providing that, whatever the shortcomings of other parts of the poplulation, there is not a profiteer among the men who last year utilized Iowa's five billion dollars of agricultural assets and did their full share toward producing on the farms of the United States in 1919 a value of \$25,000,000,000.

The Department apparently did not discover through clairvoyance that its new Secretary was to be an Iowan. Rather, it seems that an humble "news-writer" was the cause of the Department's vigorous defense. This unlucky wight hit upon Iowa in the course of an article he ground out, undoubtedly with great travail. But Iowa was the one State upon which the Department had read data. Its division of land economics thereupon put the facts out to confute the startled journalist; dismayed over the result, he is probably now wondering what the hazards may be of getting into the nature-fakir class if he writes about the Antarctic. These are certainly perilous times for both journalist and profiteers.

Federal Aid to Soldiers

IN almost every community in the United States there is a discharged soldier, sailor, marine, or war nurse, suffering from some injury, or ailment, which dates back to service with the fighting forces.

Often this injury or ailment has made it hard or impossible for them to fit in industrially. They are handicapped and need help; not charity, but mental and physical reconstruction. In many cases such people unfortunately keep their troubles to themselves. They are reluctant to seek aid or advice, for fear their friends might consider them weak. Possibly you know such a person.

If you do, encourage him to take his troubles to the Government. The War Risk Insurance Bureau and the United States Public Health Service are especially anxious to get in touch with such individuals. The Public